Friday
21th December,
1956

# PARLIAMENTARY DEBATES

## HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I- Questions and Answers )

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PARLIAMENT SECRETARIAT
NEW DELHI

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# CONTENTS

[*Part I Debates Volume IX—12th to 22nd December*, 1956]
*No.* 21, *Wednesday —12th December*, 1956.


COLUMNS.

Oral Answers to Questions—

Starred Questions Nos. 1074 to 1079, 1082, 1083, 1087 to 1090, 1095, 1097, 1099, 1105, 1108, 1111, 1112, 1118 to 1121, 1081, 1094, 1101 and 1107 . 1325—55

Short Notice Questions Nos. 4 to 7 . . . . . 1355—64

Written Answers to Questions—

Starred Questions Nos. 1080, 1084 to 1086, 1091 to 1093, 1096, 1098, 1100, 1102 to 1104, 1106, 1109, 1110, 1113 to 1115, 1117 and 1122 to 1124 . 1364—73

Unstarred Questions Nos. 854 to 891 . . . . . 1373—92

Daily Digest. 1393—96

*No.* 22, *Thursday—13th December*, 1956

Oral Answers to Questions—

Starred Questions Nos. 1126 to 1130, 1133 to 1138, 1141 to 1145, 1147, 1150, 1151, 1153 to 1158 . . . . . 1397—1425

Short Notice Questions Nos. 8 and 9. 1426—29

Written Answers To Questions—

Starred Questions Nos. 1125, 1131, 1132, 1139, 1140, 1146, 1148, 1149, 1152, 1159, 1161 to 1168 . . . . . 1429—36

Unstarred Questions Nos. 892 to 912 . . . . . 1436—46

Correction of answer to supplementary question on Starred Question No. 1155 1447—48

Daily Digest . . . . . 1449—52

*No.* 23, *Friday—14th December*, 1956

Oral Answers to Questions—

Starred Questions Nos. 1169 to 1175, 1178 to 1181 1184, 1186, 1189, to 1194 and 1196 to 1200 . . . . . 1453—82

Written Answers to Questions—

Starred Questions Nos. 1176, 1177, 1182, 1183, 1185, 1187, 1188, 1195, 1201 to 1221 and 895 . . . . . 1483—96

Unstarred Questions Nos. 913 to 971 . . . . 1496—1530

Daily Digest. . . . . 1531—34

*No.* 24, *Monday—17th December*, 1956.

Oral Answers to Questions—

Starred Questions Nos. 1222, 1223, 1225, 1226, 1228, 1229, 1231, 1232, 1235, 1238, 1239, 1245, 1247, 1249, 1251 to 1255, 1257, 1258, 1261, 1265 and 1267 . 1535—63

Written Answers to Questions—

Starred Questions Nos. 1224, 1227, 1230, 1233, 1234, 1236, 1237, 1240 to 1244, 1246, 1248, 1250, 1256, 129, 1260, 1262 to 1264, 1266 and 1268 to 1273 1564—7 5

Unstarred Questions Nos. 972 to 1029, 1031 and 1032 1575—1602

Daily Digest 1603—06

*No. 25 Tuesday—18th December, 1956.*

COLUMNS

Oral Answers to Questions—

Starred Questions Nos. 1275 to 1277, 1280, 1281, 1283 to 1285, 1287 to 1291, 1293, 1295 to 1297, 1299 and 1301 to 1303. . . . . 1607—36

Short Notice Questions Nos. 10 and 11 . . . . . 1637—40

Written Answers to Questions—

Starred Questions Nos. 1274, 1278, 1279, 1282, 1286, 1292, 1294, 1298, 1300, 1304 to 1307, 1309 to 1330 . . . . . 1640—54

Unstarred Questions Nos. 1033 to 1043 and 1045 to 1099 . . . . 1655—94

Daily Digest . . . . . 1695—98

*No. 26, Wednesday—19th December, 1956*

Oral Answers to Questions—

Starred Questions Nos. 1334, 1337, 1337A, 1338 to 1345, 1347 to 1349, 1352 to 1354, 1355, 1356, 1358 and 1360 . . . . . 1699—1726

Short Notice Questions Nos. 12 and 13 . . . . . 1726—28

Written Answers to Questions—

Starred Questions Nos. 1331 to 1333, 1335, 1336, 1346, 1350, 1351, 1354-A, 1357, 1359, 1361 to 1392 . . . . . 1728—48

Unstarred Questions Nos. 1100 to 1126, 1128 to 1132, 1134 to 1206, 1208 to 1214 and 1214 A . . . . . 1749—1804

Daily Digest . . . . . 1805—10

*No. 27, Thursday—20th December, 1956*

Oral Answers to Questions—

Starred Questions Nos 1393 to 1400, 1403, 1406, 1408, 1411, 1407, 1413, 1414, 1416, 1418, 1420, 1420-A, 1421, 1424-A, 1425, 1426, 1429 and 1433 . 1811—43

Written Answers to Questions—

Starred Questions Nos. 1401, 1402, 1404, 1409, 1410, 1412, 1415, 1417, 1419, 1422 to 1424, 1427, 1428, 1430 to 1432 and 1116 . . . . . 1843—51

Unstarred Questions Nos. 1215 to 1225, 1225-A, 1226 to 1284, 1284-A, 1287 to 1304 . . . . . 1852—90

Daily Digest . . . . . 1891—94

*No. 28, Friday—21st December, 1956.*

Oral Answers to Questions—

Starred Questions Nos. 1435 to 1437, 1440 to 1444, 1445-A, 1446, 1447, 1449 to 1456, 1458 to 1460 . . . . . 1895—1924

Written Answers to Questions—

Starred Questions Nos. 1434, 1438, 1439, 1445, 1448, 1457, 1461 to 1481 and 1483 1924—36

Unstarred Questions Nos. 1305 to 1344, 1344-A, 1345 to 1363 . . . . . 1936—66

Daily Digest. . . . . 1967—70

*No. 29th, Saturday—22nd December, 1956*

Oral Answers to Questions—

Short Notice Question No. 14 . . . . . 1971—74

Daily Digest . . . . . 1975—76

Resume of the Session . . . . . 1971—80

Index . . . . . I—116

Note: The sign + marked above a name indicates that the Question was actually asked on the floor of the House by that Member.

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# LOK SABHA

*Friday 21st December, 1956*

*The Lok Sabha met at Eleven of the Clock*

[MR. SPEAKER *in the Chair*]

## ORAL ANSWERS TO QUESTIONS

### Import of Steel

*1435. **Shri Bhagwat Jha Azad**: Will the Minister of **Heavy Industries** be pleased to state:

(a) whether the plan for the import of steel for 1957 has been drawn up by Government;

(b) if so, what is the total quantity that would be imported; and

(c) from what countries?

**The Minister of Heavy Industries (Shri M.M. Shah)**: (a) Only a provisional plan for 1957 has been drawn up.

(b) and (c). 6 lakhs of tons are firmly contracted for from U.K., Japan, Belgium West Germany, U.S.S.R., Czechoslovakia, Italy, China and other countries for delivery in 1957. Further imports are still under-consideration.

**Shri Bhagwat Jha Azad**: May I know whether our total requirements for the year 1957 has also been assessed.

**Shri M. M. Shah**: Our assessment of requirements for 1957 is about 3 to 3½ million tons.

**Shri Bhagwat Jha Azad**: How far would this import of steel from different countries help us to tide over our requirements? What other alternative arrangements are being made to fill up the gap?

**Shri M. M. Shah**: One step we are taking is to increase production. But as far as next year is concerned, that production would not materialise. The foreign exchange position in which the country is placed today makes it difficult for us to make any forecast. For the present six lakhs tons have been firmly contracted for and further efforts are being made to cover the gap.

**Shri Bhagwat Jha Azad**: From which of the countries with which we have signed contracts for import in the year 1957 have we got the most favourable terms and in what respects?





**Shri M. M. Shah**: I gave the names of the countries. The terms are dependent on the local price. As far as European countries are concerned, they are all governed by the Brussels Convention and the prices are more or less uniform or equal according to categories and according to market conditions.

**Shri T. B. Vittal Rao**: Does the figure of 3 or 3½ million tons for 1957 include arrears that we are likely to have owing to short-supply in 1956?

**Shri M. M. Shah**: There has been no short-supply fortunately in 1956. Against the target of 1·8 million tons by the end of November we have already received 1·75 million tons delivered actually and only 50,000 tons or a lakh of tons are pending which we hope to receive this month.

**Shri N. M. Lingam**: May I know the principal projects for which these imports are intended and whether Government have laid down the order of priority for steel, so that unnecessary imports may be avoided in view of the stringent foreign exchange position?

**Shri M. M. Shah**: The projects are already well known to the House and there are also priorities which I have mentioned in the House several times. The first priority is governmental development schemes, including the heavy irrigation and power projects; then there are various important development schemes for which steel is allocated; then there are private industrial development schemes for industries; there are also processing industries in the steel industry; next comes civil supplies, for construction needs by the public.

**Pandit D. N. Tiwary**: May I know whether in the order of priority mentioned by the hon. Minister any quantity has been fixed for public supply? May I also know whether Government is aware that in the flood-affected areas of North Bihar for want of steel houses are not being built?

**Shri M. M. Shah**: As I said, civil supplies means supply to the public. For instance, recently there were floods in Uttar Pradesh and West Bengal. Immediately whatever quantities of galvanised iron sheets we could release we released. For North Bihar also there have been several releases. It is true that we have not been able to cope up with

the entire requirements of the country looking to the limited supply and the limited foreign exchange.

### Cheaper Press Cable Rates

*1436. **Shri Bahadur Singh**: Will the Minister of **Communications** be pleased to state:

(a) whether the UNESCO and the International Tele-communication Union have made certain proposals regarding "Cheaper press cable rates";

(b) what is the full text of the proposals; and

(c) whether any proposals have been accepted by the Government of India and if so what are they?

**The Deputy Minister of Production (Shri Satish Chandra)**: (a) The report entitled "Joint Study on the problem of transmitting press messages" by the Director General of the UNESCO and the Secretary General of the International Tele-communication Union *Inter alia* contains certain proposals recommended by the Director General of the UNESCO regarding "cheaper press cable rates".

(b) A comparative statement giving the provisions of existing regulations as also the proposed provisions is laid on the Table of Lok Sabha. [*See* Appendix V, annexure No. 105].

(c) These proposals will be placed for consideration before the International Telegraph Administrative Conference of the International Tele-communication Union to be held in 1959 and the Government of India will finalise their views on them when the Agenda for the above conference is received.

**Shri Bahadur Singh**: May I know if certain anomalies exist at present between ordinary and urgent rates, such as discrepancies in rates for these teleprinter lines and surcharges on radio channel pick up for news broadcasts?

**Shri Satish Chandra**: The hon. Member's question related to UNESCO and the International Tele-communication Union proposals. Now he enquires about ordinary telegram rates.

**Shri Bahadur Singh**: What is the position, I want to know.

**Shri Satish Chandra**: The rates in India are already very low. There will not be much difference if these recommendations are accepted. The only major change that will be required if these recommendations are accepted sometime in 1959 by the International Tele-communication Union will be that the rates for urgent press messages which are charged at three times the ordinary press telegram rates will be reduced to twicethe same. The Government of India favours these proposals generally. But they have to be considered at the proper stage.

### U.N.O. Observers on Cease-Fire Line

*1437. **Shri Krishnacharya Joshi**: Will the **Prime Minister** be pleased to state:

(a) the total number of U.N.O. observers posted on cease-fire line in Kashmir State; and

(b) the total amount of expenditure incurred on these U.N.O. observers during 1955-56?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan)**: (a) The number of U.N. observers posted on the Cease Fire Line in the Jammu & Kashmir State is not fixed but varies from time to time. On the 1st November 1956, their number was 26.

(b) Expenditure on U.N. observers is borne by U.N.O. The Government of India, however, provide certain minor facilities like accommodation and rations in the forward areas, mechanical transport, free medical treatment in Military Hopsital etc. No separate account is maintained in respect of the expenditure involved in the grant of these facilities.

**Shri Krishnacharya Joshi**: May I know what is the tenure of these observers and the nationality of these observers?

**Shri Sadath Ali Khan**: The tenure of the observers is normally one year. With your permission I will read out their nationalities.

**Mr. Speaker**: How many are they?

**Shri Sadath Ali Khan**: Eight.

Australia; Belgium; Canada; Chile; Denmark; New Zealland; Sweden and Uruguay.

**Shri Krishnacharya Joshi**: May I know whether these observers submit any report, and if so, has any report been submitted recently regarding the violation of cease-fire?

**Shri Sadath Ali Khan**: In case of voilation of cease-fire they do submit reports, that is the normal procedure.

**Shri Sinhasan Singh**: What are the main functions of these observers nowa-days? What are they doing?

**Shri Sadath Ali Khan**: The only function of the observers is to supervise the observance of cease-fire agreement between Indian and Pakistan.

**Shri Kamath :** Have any reports reached Government that in spite of its being a party to the stationing of U. N. Observers on the cease-fire line in Jammu & Kashmir, the Pakistan Government and authorities are not co-operating with the observers and are actually resenting the presence of observers on the cease-fire line?

**Shri Sadath Ali Khan :** We have no information, Sir.

**Shri B. S. Murthy :** What are the reasons for the variation in the numbers of U. N. Observers? And is it on the increase or on the decrease?

**Shri Sadath Ali Khan :** It is within the discretion of the Chief Military Observer to vary the number according to the needs.

## नये काम दिलाऊ दफ्तर

*१४४०. **श्री भक्त दर्शन :** क्या **श्रम मंत्री** ७ अगस्त, १९५६ के अतारांकित प्रश्न संख्या ४५७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि जिन १२५ नये (काम दिलाऊ) दफ्तरों को स्थापित करने का प्रश्न विचाराधीन था उनके बारे में इस बीच क्या प्रगति हुई है ?

**श्रम मंत्री (श्री खण्डूभाई देसाई) :** अब तक २४ नये काम दिलाऊ दफ्तर खोलने की मंजूरी दी जा चुकी है । उन स्थानों का विवरण, जहां ये दफ्तर खोले जायेंगे, सभा पटल पर रख दिया गया है । **[देखिये परिशिष्ट ५, अनुबन्ध संख्या १०६]**

**श्री भक्त दर्शन :** इस विवरण को देखने से ज्ञात होता है कि जो २४ नये रोजगार दफ्तर खोले गये हैं उन में से किसी किसी प्रान्त में तो चार चार और कहीं पर एक भी नहीं खोला गया है जैसे उत्तर प्रदेश में । मैं जानना चाहता हूं कि वह कौनसा आधार है, जिसको दृष्टि में रख कर ये रोजगार दफ्तर खोले जा रहे हैं ?

**श्री खण्डूभाई देसाई :** १२५ नये दफ्तर खोलने का निर्णय हुआ है । लेकिन जब जब स्टेट गवर्नमेंट की तरफ से दरख्वास्तें आती हैं, उस वक्त हम सोचते हैं ।

**श्री भक्त दर्शन :** इन नये १२५ दफ्तरों के बारें में क्या राज्य सरकारों से सुझाव मांग लिये गये हैं और क्या इस बात का भी ध्यान रखा जा रहा है कि जहां जहां कुछ दिनों पहले ये दफ्तर बन्द कर दिये गये थे वहां सब से पहले वे खोले जायें ?

**श्री खण्डूभाई देसाई :** मेरे ख्याल में कहां दफ्तर खुलने चाहियें, और कहां बन्द करने चाहिये यह स्टेट गवर्नमेंट की डिस्क्रिशन पर है ।

**श्री भक्त दर्शन :** क्या गवर्नमेंट ने विचार किया है कि द्वितीय पंच वर्षीय योजना में हमने इस बात की आशा की है कि एक करोड़ नये व्यक्तियों को रोजगार दे सकेंगे और इसको दृष्टि में रखते हुये क्या गवर्नमेंट को विश्वास है कि उन १२५ दफ्तरों से हमारा लक्ष्य पूरा हो जायेगा या और दफ्तर खोलने की जरूरत पड़ेगी ?

**श्री खण्डूभाई देसाई :** वह जो लक्ष्य है वह अलग से है । लेकिन जहां तक इन दफ्तरों का ताल्लुक है, १२५ नये दफ्तर खोलने का निर्णय, द्वितीय पंच वर्षीय योजना के काल में हुआ हैं ।

**श्री सिंहासन सिंह :** इन रोजगार दफ्तरों के जरिये से किस हद तक देश की बेकारी दूर हुई है, क्या गवर्नमेंट बतला सकती है और क्या उसके पास इस बारे में कोई आंकड़े हैं ?

**श्री खण्डूभाई देसाई :** दफ्तर खोलने का जो प्रश्न है, इसके साथ बेकारी का सम्बन्ध नहीं है ।

**सरदार अ० सिं० सहगल :** क्या यह सच है कि मध्य प्रदेश की सरकार ने यह सुझाव दिया है कि वहां पर हर एक कमिश्नरी में एम्प्लायमेंट एक्सचेंज खोलने की व्यवस्था की जाये ?

**श्री खण्डूभाई देसाई :** जब उसके पास से दरख्वास्त आयेगी, तो सोचा जायेगा ।

**Bengal Salt Factories, Contai**

*1441. **Shri S. C. Samanta :** Will the Minister of **Production** be pleased to state :

(a) the amount of loss sustained by Bengal Factories Salt in Contai in West Bengal during the last cyclone in Midnapur and 24 Parganas districts ;

(b) whether Government propose to help these factories;

(c) if so, how much grant and how much loan is proposed to be given; and

(d) the volume of work in the Bengal Salt Factories proposed to be undertaken during the Second Five Year Plan?

**The Deputy Minister of Production (Shri Satish Chandra) :** (a) Rs. 35,000/- approximately.

(b) and (c). The matter is under consideration.

(d) An expenditure of Rs. 6,000 is proposed to be incurred on certain amenities for the labour.

**Shri S. C. Samanta :** May I know what is the amount that has been claimed by the factories there?

**Shri Satish Chandra :** As far as I know, the factories have not claimed any amount. The question was raised by the hon. Member himself in a meeting of the Advisory Committee of which he is a Member.

**Shri S. C. Samanta :** Is it not a fact that there is an officer posted there for collecting meteorological data; and may I know whether the officer gave the facts?

**Shri Satish Chandra :** I do not know. The meteorological officers are not directly under the salt Department. I am not aware if there is a meteorological officer there. But by all the accounts that we have received, this was not a serious cyclone.

**Slum Clearance**

*1442. **Shri Gidwani :** Will the Minister of **Works, Housing and Supply** be pleased to state :

(a) whether the recommendations made by the State Planning Officials Conference held in Chandigarh on 11th October, 1956 regarding Pilot Projects on slum clearance in India have been considered by Government; and

(b) what were the main recommendations of the Conference and which of them have been accepted by Government?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar) :** (a) The recommendations of the Conference have not yet been received by Government of India.

(b) Does not arise.

**राजमाता कमलेन्दुमति शाह :** क्या मैं जान सकती हूं कि पिछले दिनों दिल्ली में स्लम्स को क्लीयर करने का जो निर्णय हुआ था, उसके अनुसार कितने स्लम्स को क्लीयर किया गया है और वहां पर रहने वाले कितने व्यक्तियों को राहत पहुंचाई गई है ?

**Shri P. S. Naskar :** I am sorry to say that this question does not arise out of the original question.

**Mr. Speaker :** Very well. He may say that he wants notice.

**Low Income Group Housing Scheme**

*1443. **Pandit D. N. Tiwary :** Will the Minister of **Works, Housing and Supply** be pleased to state :

(a) whether any instruction or advice has been issued to the State Governments about the mode of advancing loan under the Low Income Group Housing Scheme; and

(b) whether it is a fact that loan under the scheme is given only in urban areas and in the areas covered by community projects?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar) :** (a) When circulating the Low Income group Housing Scheme to State Governments, certain important questions, which their administrative machinery was required to resolve before implementing the Scheme, were brought to their notice in general terms. Subject to certain basic conditions laid down in the Scheme, they have, however, been allowed the maximum possible latitude to work out administrative details in regard to advancing of loans under the Scheme in the light of their particular requirements.

(b) No, Sir. Although it was suggested to the State Governments when introducing the Scheme that it should in the first instance be worked in large areas where housing shortage was acute, they have full discretion in applying it to any area where in their opinion there is a housing shortage.

**Pandit D. N. Tiwary :** May I know whether the hon. the Parliamentary Secretary is aware that only a few days ago the Minister in charge, while replying to a

question, said that it has been decided to advance loans for such houses in the urban areas and that the rural areas are not given the loans?

**Shri P. S. Naskar:** I do not know, I cannot exactly say about that. But with regard to what I said in reply to part (b) above the rural areas, I still say that this scheme is not at all restricted to urban areas. As a matter of fact, certain Governments like Punjab and PEPSU have actually sanctioned loans for the construction of houses in rural areas as well.

**Pandit D. N. Tiwary :** May I know whether Government has received any report from the Government of Bihar about the number of houses that have been built or for which money has been advanced for the rural areas?

**Shri P. S. Naskar :** The original question is not about the break-up of any particular State or what is going on in a particular State. But I can, for the information of the hon. Member, say that the information in respect of the actual amounts spent in Bihar in 1955-56 has already been furnished to this House in Statement II on the 9th August, 1956 in reply to Unstarred Question No. 543.

### Emporia for Handicrafts

***1444. Shrimati Tarkeshwari Sinha:** Will the Minister of **Production** be pleased to state :

(a) whether Government propose to have a multi-storeyed building to house the Emporia of the various All India Boards for the development of handicrafts and Cottage Industries etc.; and

(b) if so, the estimated cost of construction?

**The Deputy Minister of Production (Shri Satish Chandra) :** (a) and (b) It is proposed to construct a multi-storeyed building in New Delhi for providing accommodation to Khadi Gramodyog Bhavan and the Central Cottage Industries Emporium. Efforts are being made to get a suitable site for the proposed building. The cost of construction has not been worked out so far.

**Shrimati Tarkeshwari Sinha :** May I know whether this Emporium will also include the different Emporia of the various State Governments, for example, Bihar, Punjab, Rajasthan and others; or will it only centralise the Gramodyog and Khadi Bhavan and the Central Handicrafts Board?

**Shri Satish Chandra :** It was originally thought that all the State Governments Emporia might be accommodated in the same building. But after reconsideration it has been decided not to bring them in the same premises because the building to be constructed will have to be very large. The Kashmir Emporium itself requires a big building. Several other State Governments have already got their Emporia in the capital, and there might be demands from other State Governments also for allotment of space in the same building. So the proposal now is only to accommodate the Khadi Gramodyog Bhavan and the Central Cottage Industries Emporium there.

**Shri Kamath :** U. P. Government?

**Shrimati Tarkeshwari Sinha :** What will happen to this newly built Gramodyog Bhavan? Will all the things in the Gramodyog Bhavan be carried to the proposed building and this building be vacated? What is the position in this regard?

**Shri Satish Chandra :** The present building is a rented one and, of course, it may have to be vacated.

### New Phillips Challenge Globe

***1445-A. Shri C. R. Chowdary :** Will the **Prime Minister** be pleased to state :

(a) whether Government are aware of the fact that in the 'New Phillips Challenge Globe' supplied by Orient Longman Private Ltd., Madras to the colleges and schools in country, Kashmir has been shown as an independent and separate country and not an integral part of India; and

(b) the steps taken or proposed to be taken in the matter.

**The Deputy Minister of External Affairs (Shri Anil K. Chanda ) :** (a) Government have recently become aware of this.

(b) The matter is under examination.

**Shri C. R. Chowdary :** May I know the procedure adopted in the matter of supply of globes and maps to the educational institutions in the country?

**Shri Anil K. Chanda :** We have not ever supplied any maps or atlases to any school.

**Dr. Rama Rao :** May I know whether the Government place orders with the foreign firms who, with political motives, misrepresent these things?

**Shri Anil K. Chanda :** We have placed no orders with those firms.

**Shri Velayudhan :** May I know whether the Government can impose any restriction on the persons now producing maps or distributing maps which are basically against the interests of our own country?

**Shri Anil K. Chanda** : If they are produced locally, certainly we can take action, and if the question is with reference to maps and atlases imported from outside, we can take action under the Sea Customs Act.

**Shri Kamath** : May I know whether any reports have been received by Government that some State Governments have placed large orders with the firms and, if so, whether the Government will enquire into it and countermand such orders?

**Shri Anil K. Chanda** : We have n information.

**Shri C. R. Chowdary** : May I know why maps which show Kashmir as a separate country are allowed to be imported into this country?

**Shri Anil K. Chanda** : As soon as our attention was drawn to this matter, we took action, and we are having maps scrutinised by the Surveyor-General. Before we take action, we must have authoritative report from our Surveyor-General.

**Refugee Colony, Amarda (Orissa)**

*1446. **Shri Sanganna** : Will the Minister of **Rehabilitation** be pleased to state :

(a) whether it is a fact that the Government of Orissa have approached the Centre for financial assistance to establish a refugee colony at Amarda Road in Orissa; and

(b) if so, the reaction of Government in the matter?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna)** : (a) No. A proposal to establish a transit camp at Amarda is however under consideration.

(b) Does not arise.

**Shri Sanganna** : May I know how many colonies have been put up so far in Orissa and what is the economic condition of each colony?

**Shri Mehr Chand Khanna** : It is a very wide question. The main question relates only to Amarda Road Colony. I cannot say off-hand the number of colonies in Orissa. In some colonies, the conditions are good and in some the conditions require a little improvement. I am looking into that matter.

**Shri Sanganna** : There was a proposal to put up one refugee colony in Malkangiri in the district of Koraput in Orissa. What has happened to that? May I know whether the Government is considering such a proposal?

**Shri Mehr Chand Khanna** : If the hon. Member is referring to big scheme, namely Malkangiri the land development reclamation scheme, I may say that it is under consideration.

**Khadi Gramodyog Bhavan, New Delhi**

*1447. **Shri T. B. Vittal Rao** :
**Babu Ramnarayan Singh** :

Will the Minister of **Production** be pleased to state :

(a) whether it is a fact that some high salaried employees of the Khadi Gramodyog Bhavan, New Delhi have been given two increments in a year and that majority of the low paid employees have been ignored;

(b) if so, whether there is any rule for regulating the grant of i crements; and

(c) the policy that has been evolved by the All India Khadi and Village Industries Board for giving increments to its trading account employees?

**The Deputy Minister of Production (Shri Satish Chandra)** : (a) The maximum salary of an employee of the Bhavan is Rs. 400/- per mensem. No employee got two regular increments in a year. Certain employees were, however, benefited by a slight rise on account of adjustment of their salaries in the prescribed scales which came into effect in April, 1956.

(b) and (c). The initial appointment is made on a trial basis after which the salary is fixed in a prescribed grade. Subsequently increments are regulated in accordance with the normal rules.

**Shri T. B. Vittal Rao** : May I know what percentage of these employees are temporary?

**Shri Satish Chandra** : These are all employees of the Khadi and Village Industries Board. I do not think there is any classification like temporary or permanent.

**Shri T. B. Vittal Rao** : May I know whether the Shops and Establishments Act is enforced on these establishments and, if not, why not?

**Shri Satish Chandra** : I think it is enforced. It is for the State Administration to see that it is enforced.

**Sardar A. S. Saigal** : May I know how many Khadi Gramodyog Bhavan employees have been given slight increments, as stated by the Deputy Minister?

**Shri Satish Chandra :** The question does not relate to the entire Khadi Board. It refers to the Khadi Gramodyog Bhavan in New Delhi. There are about 18 or 19 persons who have got a very slight increment on account of the adjustment in new grades.

**Shri Velayudhan :** The hon. Deputy Minister said that no employee got two regular increments. May I know whether when the appointment was made, the starting salary was given with two years' increments ? Were such appointments made in this organisation ?

**Shri Satish Chandra:** I said that these grades have come into effect from April, 1956. There were no grades before. People were employed on an *ad hoc* salaries determined according to their qualifications and experience. It is only very recently that these scales of pay have been prescribed and people have been brought into these scales. I can assure the hon. Member that no double increments were given.

**Shri B. S. Murthy :** The question is whether certain high-salaried officers have been given increments, while the lower paid staff were not paid anything. I want to have a categorical answer from the Deputy Minister.

**Shri Satish Chandra :** Firstly, there is no high-salaried officer in the Bhavan. As I said, the maximum salary is that of the Manager of the Bhavan and it is Rs. 400 per mensem. I do not know how the hon. Member defines "high-salaried officer".

**Shri B. S. Murthy :** It is in the question.

**Shri Satish Chandra :** It is wrong. That is why I said that the maximum salary is Rs. 400 per mensem.

**Shri B. S. Murthy :** The Deputy Minister did not reply to it.

**Mr. Speaker :** The hon. Member must follow the gist. The maximum salary is Rs. 400 per mensem, and it is for the Manager.

## Production [of Coal

*1449. **Shri Debendra Nath Sarma:** Will the Minister of **Production** be pleased to state :

(a) whether it is a fact that production of coal at Margherita and Mamdang Collieries has decreased; and

(b) if so, the reasons therefor ?

**The Deputy Minister of Production (Shri Satish Chandra) :** (a). The hon. member is presumably referring to the collieries owned by the Assam Railway Trading Company in the Margherita Field in Assam. If so, there has been a fall in the output of the four collieries.

(b) The fall in production is mainly due to an underground fire in the Tipong Colliery.

**Shri Debendra Nath Sarma :** May I know whether the fall in production is due to the dispute between the management and the labourers ?

**Shri Satish Chandra :** I am not aware of it. These are private small collieries in Assam. According to the information that I have got, there was some underground fire in one of the collieries which has been responsible for this fall in output.

**Shrimati Tarkeshwari Sinha :** In view of the recurring reports that underground fire is spreading in different collieries including the coal-fields in Raniganj and Jharia, may I know what specific steps Government propose to take before such fires catch up wider areas in these collieries ?

**Shri Satish Chandra :** All possible precautionary measures are taken for the purpose. Only a few days ago, I answered a question on that subject, giving details. It is a big problem, but there is no immediate danger of the colliery fires spreading. It is difficult to extinguish them completely but they are made dormant by the efforts of the colliery-owners and some assistance is also given by the Coal Board in this matter.

**Shri P. C. Bose :** May I know whether the cause has been ascertained, and whether any attempt has been made to control the fire by sealing off the area ?

**Shri Satish Chandra :** Most of the fires are sealed at present. Otherwise, they will envelop a large number of collieries. As I said, it is not possible to extinguish them completely. But they may be made in effective by certain measures taken by the collieries with the assistance—financial and otherwise—given the Coal Board.

## भारत में पाकिस्तानियों का अवैध प्रवेश

१४५०. **श्री प० ला० बाल्पाल :** क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि गंगानगर, बीकानेर, जैसलमेर और बाड़मेर की सीमाओं से सैकड़ों मुसलमान बिना पासपोर्ट के पाकिस्तान से भारत और भारत से पाकिस्तान आते-जाते रहते हैं ; और

(ख) यदि हां, तो क्या सरकार इस मामले में कोई ठोस कार्यवाही करना चाहती है ?

**वैदेशिक कार्य मंत्री के सभा सचिव (श्री सादत अली खां)** : (क) और (ख) राज्य सरकार से सूचना मांगी जा रही है ।

**श्री प० ला० बाक्पाल** : क्या मैं जान सकता हूं कि जो भारत स्थित पुलिस है उसको तस्कर व्यापार करने वाले और भारत से पाकिस्तान जाने वाले व्यक्ति कुछ ले दे कर राजी कर लेते हैं जिसकी वजह से सरकार के पास कोई सही सूचना नहीं पहुंच रही है ?

**श्री सादत अली खां** : नहीं, यह बात तो नहीं है, आनरेबल मेम्बर जरा कुछ दिन इन्तजार करें, जब सूचना आ जायेगी तो सब बातों का पता चल जायेगा कि क्या हो रहा है ?

**श्री प० ला० बाक्पाल** : जो कुछ हो रहा है वह तो हमें मालूम है, लेकिन इसको जांच करने के लिये क्या सरकार कोई आयोग नियुक्त करेगी ?

**श्री सादत अली खां** : जब आनरेबल मेम्बर को मालूम है तो फिर वह पूछते क्यों हैं?

**श्री प० ला० बाक्पाल** : मैं इसलिये पूछ रहा हूं ताकि इस तरह की बातों को रोका जाये ।

**Mr. Speaker** : The hon. Members will kindly write to the Government first. If they have information and if they want to get it rectified or verified merely asking questions alone here may not be enough.

**Pandit D. N. Tiwary**: May I know whether the Government can give an idea as to how many illegal stays of Paikstanis are still continuing in India?

**Shri Sadath Ali Khan**: I am prepared to give it if the hon. Member tables a separate question.

**Shri Kamath**: Is the Parliamentary Secretary aware that his colleague, the Minister in the Ministry of Home Affairs, sometime ago stated in the House that a number of Pakistanis had illegally entered Bhopal and even fomented communal trouble and that a wireless transmitter has been seized from them and, if so, may I know whether those Pakistan is have been expelled from India?

**Shri Sadath Ali Khan**: The question may be put to the Home Minister.

**Shri Gidwani**: Yesterday some Pakistanis were arrested, because they had come to India without passport. Are the Government taking any steps to see that nobody enters India without passport?

**Shri Sadath Ali Khan** : It has nothing to do with the question that has been tabled. It was a report which appeared in the newspaper.

**Mr. Speaker** : They will make enquiries.

**Shri Tangde** : What step are Government taking in the case of those Pakistanis who have been sentenced to jail but who having been released, refuse to go back to Pakistan ?

**Shri Sadath Ali Khan** : I cannot answer this question.

**Mr. Speaker**: Is the Government helpless in such cases? The other day this question was put to the Home Minister and Shri Datar said the same thing. Pakistanis come here without passport and under the rules and regulations, they are convicted and sent to jail. Then they are released and they will not go back. Therefore, by merely going to jail, they establish themselves permanently here. Therefore. the hon. Minister must give an answer.

**Shri Sadath Ali Khan**: I do not know whether they have been pushed back or kept here. I cannnot say. It is for the Home Ministry.

**Mr. Speaker**: That belongs to the Home Ministry and therefore, the External Affairs Ministry cannot answer.

### Refugees with False Migration Certificates

*1451. **Shri Ramananda Das**: Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that large number of refugees have entered West Bengal with false migration certificates;

(b) whether it is a fact that Government have refused rehabilitation facilities to these persons on the above grounds; and

(c) whether it is fact that Pakistan authorities allowed these refugees to leave Pakistan and enter the Indian territories and the Indian check-posts' authorities also allowed them to enter India in contravention of the general rule of migration or entrance of foreign territories' people into India ?

**The Deputy Minister of External Affairs (Shri Anil K. Chanda)**: Information is not available. A report has been called for from the State Government.

**Shri H. N. Mukerjee**: In view of the fact that the overwhelming majority of those who are alleged to have come with false migration certificates are not themselves to blame, but, might perhaps have been victimised by certain undesirable interests on the other side, could Government give us an assurance that the cases of those people who have allegedly come with false migration certificates would be sympathetically considered ?

**Shri Anil K. Chanda**: I have already said that we have asked for report from the West Bengal Government. Till the report is before us, it is very difficult for us to say anything in the matter.

**Shri Ramananda Das**: May I know, in view of the fact that a large number of these people have been allowed to leave Pakistan by the Pakistan authorities and to enter India and the Indian check posts authorities have also allowed them, why they are refused any rehabilitation grants ?

**Shri Anil K. Chanda**: We have got no official information in the matter. We have asked the State Government concerned to send us detailed report.

**Shrimati Renu Chakravartty**: This matter about false migration certificates has been agitating the minds of people both in Tripura and in West Bengal for the last three or four months. Several questions have also been put to the Rehabilitation Minister. May I know the Government of West Bengal or Tripura have not intimated to the Central Government at all that there are about 25,000 such people ?

**Shri Anil K. Chanda**: This particular question refers to West Bengal. With regard to Tripura, the hon. Minister for Rehabilitation may be able to explain the position.

**The Minister of Rehabilitation (Shri Mehr Chand Khanna)**: The position is that about, 25,000 persons have come into Tripura with fake migration certificates. They have been there for the last three or four months. We have not been able to give them any formal recognition, because the matter is under examination whether, a Pakistani national coming to India in such circumstances with fake migration certificate should be accepted or not for the purpose of rehabilitation in India; but relief on *ad hoc* ba is is being given to these persons in Tripura. I think their number in the camps is about 15,000. I am only taking from memory, subject to correction.

## Murder of Forest Officer in N.E.F.A.

***1452. Shri H. N. Mukerjee**: Will the **Prime Minister** be pleased to state.

(a) whether an inquiry has been made into the circumstances of the alleged murder, while on duty, of Haridas Bhattacharya, assistant in the office of the Divisional Forest Officer, Tezu, North East Frontier Agency, on or about September 5, 1956; and

(b) if so, what are the results ?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan)**: (a) and (b). The circumstances attendant on the alleged murder of Shri H. Bhattacharya are being investigated. A statement will be laid on the Table of the House as soon as these investigations are completed and if necessary, legal action initiated.

**Shri H. N. Mukerjee**: Is Government taking any steps with regard to a representation made by the brother of the dead officer to the effect that the dead body was disposed of by the employees of the Forest Department and he did not get any intimation with regard to the dead body being disposed of by his relatives ?

**Shri Sadath Ali Khan**: I am not aware of that fact; but I will enquire.

**Shri H. N. Mukerjee**: Is Government aware that in Silchar, Assam, certain journals like *Arunodhaya*, a nationalist weekly, have said that there are some very suspicious circumstances connected with the incident and that the officer who was found injured at or near the place of the occurrence went away to Delhi, when his evidence was necessary to find out the fact of the matter.

**Shri Anil K. Chanda**: Our attention has been drawn to those Press reports. I myself have received some communication from the relatives of the deceased. In view of the seriousness of this case, we have sought the help of the Central

Government to send a specialist to investigate into the case and he is now working. Till his report is available for us, it is difficult to express an opinion on the floor of the House.

**Shri H. N. Mukerjee**: Is it a fact that in this area there is no police, properly so called, and the officers are functioning there at their peril?

**Shri Anil K. Chanda:** It is because of that that we sought the help of the Central police administration.

**Dr. Rama Rao**: What is the reason for this delay of more than 3½ months in receiving the report, in spite of the case being very serious?

**Shri Anil K. Chanda**: We had to communicate with the Central administration for the deputation of the officer; it does take some time.

### A.I.R. Audition Tests

*1453. **Shri Bheekha Bhai**: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the number of factors taken into consideration while taking audition tests of the artistes in radio stations; and

(b) whether the artistes are paid any remuneration for undergoing audition tests?

**The Minister of Information and Broadcasting (Dr. Keskar)**: (a) Suitability of voice, variety and technique in performance and general knowledge of music are the main factors which are taken into consideration.

(b) No, Sir.

**Shri Bheekha Bhai**: May I know whether the persons put in charge of the audition tests are themselves artistes and have faced the audition tests?

**Dr. Keskar:** Yes.

**Shri Bheekha Bhai**: May I know whether out-of-pocket expenses are paid to the artistes who come for attending the audition tests?

**Dr. Keskar:** No, Sir.

**Shri Bheekha Bhai**: May I know the reason why they are not paid the actual expenditure, when they come from long distances?

**Dr. Keskar**: This is not an advertisement for employment by Government. Persons who come, come voluntarily. There is no obligation on the part of the Government that they should come.

**Shri Velayudhan**: May I know whether, apart from the main considerations for the audition tests which the hon. Minister has mentioned, there is any other consideration like favouritism, nepotism etc. in selection?

**Mr. Speaker**: Next question.

**Dr. Keskar** *rose*—

**Mr. Speaker**: The hon. Minister need not answer this question, which is a general charge that Government practises nepotism etc.

**Shri Velayudhan**: That goes without saying.

### Printing of Lok Sabha Proceedings

*1454. **Shri Kamath:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether Government have under consideration any plan or proposal whereby the printing of Lok Sabha proceedings will be expedited; and

(b) if so, the main features thereof?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P.S. Naskar)**: (a) Yes, Sir.

(b) The Parliament Wing of the Government of India Press, New Delhi is being expanded. The capacity of the Parliament Wing which was capable of printing only 45,000 MSS pages per year in 1952 has already been expanded to 1,87,000 MSS pages by installing additional machinery. Some more machinery is expected to be received by February, 1957 and when this is installed the capacity will be increased to 3,00,000 MSS pages per year.

**Shri Kamath**: Has Government considered the desirability, nay the compelling necessity of having a separate, independent and efficient printing press for the Lok Sabha only, under the control and direction of the Speaker himself?

**Shri P. S. Naksar**: I cannot give exact information on this point to the hon. Member at the moment.

**Shri Kamath**: Has the Government considered so far.....

**Mr. Speaker:** He is not able to give the information.

**Shri Kamath**: Is the Parliamentary Secretary in a position to lay on the Table a statement or give to the House information as to the comparative time taken by other Parliaments of the world to

print their proceedings and as to whether we are almost the very last or very much behind?

**Shri P. S. Naskar**: If the hon. Member puts a question some time, we will try our best to find out.

**Sardar A. S. Saigal**: May I know whether the proposal made by the Parliament Secretariat to have an up-to-date press has been condidered and if so, with what result?

**Shri P .S. Naskar**: I should require notice to answer.

**Shri A. K. Gopalan**: May I know whether a Committee of Members of Parliament had been formed, whether they have gone into this question and whether they have made any recommendations about this?

**Shri P. S. Naskar**: I have no information at the moment. I shall just find out.

**Sardar A. S. Saigal**: A long time ago, the proposal was made. Yet, it has not been considered by the Government.

**Shrimati Renu Chakravartty**: The Committee has met and made its firm recommendations and it is funny the Parliamentary Secretary knows nothing about it.

**Mr. Speaker**: No good in losing patience.

**Shri Kamath**: Is it not a fact that very frequently requests come from other Parliaments of the world for copies of Parliament's proceedings here and if so, how does Government attend to these requests when the proceedings are not printed at all?

**Shri P. S. Naskar**: All the publications are distributed or sold by the Lok Sabha Secretariat at the Publications counter as they are available.

**Shri Kamath**: Do they supply stencilled copies?

**Shri A. K. Gopalan**: I want to make a submission on this question. A Committee of Members of Parliament was there, they went into the question and some recommendations had been made. When a question has come, it was at least the duty of the Minister to understand it and give a reply. That is not done.

**Shri P. S. Naskar**: As I said in my original answer, we are trying our best. We are expanding the press as much as we can. Suddenly, pressure of work increased with the addition of Hindi printing.

**Mr. Speaker**: Hon. Members are impatient.

**Shri P. S. Naskar**: Our programme could not cope up.....

**Mr. Speaker**: Hon. Members want the proceedings to be printed quickly and supplied to them. That is the point.

**Shri Kamath**: On a point of order, Sir, in view of the very unsatisfactory nature of the answers got from the Parliamentary Secretary, will you be so good as to direct the Minister to be present and answer this question tomorrow There is no Question-Hour tomorrow. We can take up this question only. The Minister may come and reply. He has 24 hours' time to get further information. This is the last session and tomorrow is the last day. I would request you to direct the Minister to be present and answer the question tomorrow.

**Mr. Speaker**: I shall send a copy of the proceedings to the Minister or the Secretary will send the proceedings. I am not going to allow any more questions. Is it going to throw more light than other friends have done?

There seems to be a very general feeling here that the proceedings of Parliament are not published in time and that it takes years before they are published when they became out-of-date, and that they are not available for ready reference. It is only a question of the various hon. Members taking an interest in it and impressing upon the Minister to get this additional press as early as possible. That is at the back of all these questions.

Next question.

**Shri P. S. Naskar**: I think it will be all right in a short time.

### Ex-employees of P. & T. Department (Travancore-Cochin State)

*1455. **Shri A. K. Gopalan**: Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that Government have cancelled fixation of Central scales of pay to ex-State Postal Staff of erstwhile Travancore-Cochin State Government;

(b) whether it is also a fact that Government have ordered recovery of arrears of pay already disbursed to these employees;

(c) if so, whether Government have received representations to withdraw those orders; and

(d) the reasons why these orders were issued?

**The Deputy Minister of Production (Shri Satish Chandra)**: (a) The Government have clarified that the general orders issued by them about the applicability of Central Scales of pay with effect from 1-4-50 to the staff taken over by the Centre

along with the ex-State P. & T. system will not apply to the staff of ex-Anchal system, as they were actually taken over only with effect from 1-4-51 and as they were State Government servants from 1-4-50 to 31-3-51 when the Anchal system was managed by the State Government on an agency basis.

(b) It is likely that the audit would be taking action to recover excess amount if, due to mis-interpretation of the original orders, excess payments have been made.

(c) Government have received representations asking for the extension of the Central scales of pay and other conditions of service to the ex-Anchal staff from 1-4-50.

(d) A statement indicating these reasons is placed on the Table of Lok Sabha. [*See* Appendix V, annexure No. 107]

**Shri A. K. Gopalan** : May I know whether orders had been issued to refund the amount that had already been given to some sections of this staff ?

**Shri Satish Chandra** : I said, that this is the function of the Audit and they would be taking action to recover such extra payments, if any, that have been made.

**Shri A. K. Gopalan** : Another question was put two days back to the Minister for Communications and he said that that he would reconsider the matter. In view of that answer, will the Government stop the collection of arrears and consider the whole matter afresh ?

**Shri Satish Chandra** : If the hon. Minister has given that assurance, he will keep to it.

**Shri V. P. Nayar** : From the answer we find that from 1-4-50 to 1-4-51, the employees were considered to be in agency service. I want to know what were the amounts paid to the Travancore Government, if any, for this agency work and whether the Government of India have made any profit.

**Shri Satish Chandra** : I have not got the figures. The fact is that on the date of the Federal financial integration, that is, 1-4-50, some departments were taken over by the Government of India such as Income-tax, Excise, Customs, etc., while certain other departments of the erstwhile Travancore-Cochin State such as Meteorology, Archaeology, Employment Exchange, including the P. & T. system continued under the State Government. They were not integrated finally. They were taken over on a subsequent date.

**Shri V. P. Nayar** : May I know whether during that period, the Central Government got any revenue over and above what they were able to spend ? The other departments taken over were not revenue yielding departments.

**Shri Satish Chandra** : All the departments were not taken over. Some departments were taken over; some were not. They were perhaps taken over technically. Article 258 of the Constitution provided that the management of these departments on a particular date vested in the Central Government. Actually they were taken over on a subsequent date. Because the Anchal employees were taken over a year later, the Central scales of pay will be applicable from that date.

**Shri Velayudhan** : May I know whether, in the agency system under which the Anchal system was being run by the State Government for one year on behalf of the Central Government, there was a any specific clause that they should not be brought under the Central scales of pays or whether it is a fact that there was a clause that the Anchal employees should be included among the tele-communications service and tele-communications services were paid from the particular date in 1950 onwards ?

**Shri Satish Chandra:** This was all discussed. It was an integral part of the Federal financial integration scheme.

**Shri Achuthan** : The hon. Minister said that the ex-Anchal staff were working on an agency system for one year. Was there any material differnce in the nature of the work that was done by them in relation to the work done by postal employees ? What is the reason now, because they were doing the same amount of work, for the Government not paying the Central scales of pay to these employees for one year ?

**Shri Satish Chandra:** There can be two ways of looking at this matter. The employees were paid the same salaries for one year as they were getting for many years before. It was not a new thing that was introduced by the Central Government. The Central Government paid according to its scale from the day they became Central Government employees. They were not Central Government employees for that period of one year. They continued to be State Government employees.

**Shri Punnoose:** Is it not fact that the Government has been looking at this question in two ways during those years? Is not a fact that some of them have been paid or are already being paid a part of their salary according to the Central scales and how does Govt consider it fair to ask these small salaried people to return the amount.

**Shri Satish Chandra:** My colleague, the Minister of Communications has already given some assurance to the House. I

thi k it would only be fair that he is allowed to examine the matter afresh.

**Portuguese Encroachment upon Indian Cost-Line and Air-space.**

*1456. { **Shri Raghunath Singh:** + **Shri M. L. Agrawal:** **Shri Gidwani:** **Shri Krishnacharya Joshi:**

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Portuguese ships have been encroaching upon the Indian coast-line and a ship was actually caught by the Indian patrol:

(b) whether the aeroplanes flying from Karachi to Goa and other Portuguese Indian Territories have also been violating the Indian air-space; and

(c) if so, the action being taken by Government in this regard ?

**The Deputy Minister of External Affairs (Shri Anil K. Chanda):** (a) Yes. Country-craft and fishing vessels registered in the Portuguese Possessions in India have been entering Indian territorial waters illegally for fishing and smuggling. The exact details of earlier violations of Indian waters by such craft are not available but in recent weeks violations have been reported on the 22nd September, 8th October, 23rd and 24th October and 23rd November. Most of these violations have been by country-craft from Daman and Diu. The country-craft which entered Indian waters on the 23rd November carrying illegal immigrants from Daman was taken into custody by the Indian Customs authorities.

(b) Yes. Portuguese air-craft operating on the route Karachi-Diu-Daman-Goa have frequently violated Indian air space. Since the 7th April, 1956, when a notification was issued declaring air space over Indian territory, within 10 miles of the boundaries of any of their Portugese Possessions in India as prohibited areas, over 40 such instances of violations by Portuguese air-craft have been reported.

(c) In regard to violations by country-craft, whenever possible the craft in question are apprehended by Indian Customs preventive launches. As stated earlier, so far one such craft has been taken into custody. In regard to the frequent violations by Portuguese air-craft strong protests have been lodged with the Portuguese Government through diplomatic channels.

**श्री रघुनाथ सिंह** : माननीय मंत्री ने कहा है कि पुर्तगाल सरकार को विरोध-पत्र भेजे गये हैं । मैं यह जानना चाहता हूं कि उसने उनका जवाब क्या दिया है ।

**Shri Anil K. Chanda.** With regard to the violation of our air space, the Portuguese authorities have persistently denied the fact. In our last communication to them sent through the Egyptian Embassy on the 16th November, we have told them that we are satisfied that the violations of air space over Indian territorry and territorial waters by Portuguese aircraft had in fact taken place and were still continuing. A statement giving full details of the violations was also forwarded, and it was specifically stated there: (a) necessary preventive action against future violations by Portuguese aircraft of Indian air space would be taken by Indian authorities without further warning and (b) the responsibility for the consequences resulting from such action will rest solely on the Portuguese Government.

**Shri M. L. Agrawal:** As the protest has not produced any results, does the Government contemplate any action stronger than the strong protests?

**Shri Anil K. Chanda:** Yes. In our note we have said that we are going to take action without any further notice to them.

**Shri Gidwani:** What will be the nature of that action?

**Shri Anil K. Chanda:** The hon. Member must wait to know what action we take.

**Shrimati Tarkeshwari Sinha :** May I know whether the Government of India's decision extending their jurisdiction to six miles in the sea as their territory has been communicated to the United Nations, and if so, what reply has been received from the United Nations?

**Shri Anil K. Chanda:** As far as I know, each sovereign country has the right to decide its own territorial waters. For instance, I believe the U.S.A. has 12 miles. Ours is six nautical miles.

**Shrimati Tarkeshwari Sinha:** What are the international conventions fixed for checking the violation of these territorial jurisdictions in the sea, and may I know whether any report has been received from the United Nations to this effect?

**Shri Anil K. Chanda:** I am afraid I have no information on this point.

**Shri H. N. Mukherjee:** Regarding violations of our air space, apart from protests to the Portuguese Government which are put in the waste paper basket, have we tried to move the International Civil Aviation Organisation or similar bodies for action to be taken against Portuguese aviation generally speaking?

**Shri Anil K. Chanda:** No, Sir. As far as I know, we have not yet taken any other steps excepting communicating

with the Portuguese Government. There has been exchange of views with that Government during the last few months, and this is our last note, details of which I have supplied to the House.

**Shri Tek Chand:** May I know whether according to the well known doctrine of *quousque tormenta exploduntur* the territorial limit should be at least ten miles?

**Shri Anil K. Chanda.** I take the information from the hon. Member. He is a legal luminary.

## Acquisition of Lands for Displaced Persons

*1458. **Shrimati Renu Chakravartty:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether it has been decided to withdraw acquisition notices from lands in P. S. Haroa, Bhangar and Rajarhat of 24 Paragans District, West Bengal acquired for refugee rehabilitation;

(b) what is the reason for staying possession of these lands for three months;

(c) whether there is any proposal to give refugees alternative lands in other areas; and

(d) if so, where?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) to (d). The information is being collected and will be laid on the Table of Lok Sabha in due course.

**Shrimati Renu Chakravartty:** May I know if the Government is prepared to make a statement that the peasants' land below the ceiling prescribed by the Zamindari Abolition Act of West Bengal will be released to the peasantry.

**Shri Mehr Chand Khanna:** I am sorry I cannot make a categorical statement on a big issue like that without any notice.

**Shrimati Renu Chakravartty:** Will the Minister be prepared to give an assurance that he will personally look into the matter and release such peasants' lands?

**Shri Mehr Chand Khanna:** I will certainly look into the matter with very great sympathy, but I cannot commit myself to what action I will take.

## Handloom Cloth

*1459. **Dr. Rama Rao:** Will the Minister of **Commerce and Consumer Industries** be pleased to state:

(a) whether Government have received any representations that huge stocks of handloom cloth have accumulated with the primary co-operative societies in Andhra;

(b) whether Government have been approached for any loan to purchase these stocks to relieve the primary societies; and

(c) whether any special steps have been taken to go to the aid of handloom weavers in Andhra in the present critical position?

**The Minister of Trade (Shri Karmarkar):** (a) to (c). No such representations have been received though we have heard reports to this effect. Nor has the State Government concerned approached the Central Government for any loan for this purpose. If any reference is received from the State Government it will be examined sympathetically.

**Dr. Rama Rao:** Are Government aware that there are reported to be stocks worth nearly Rs. 1 crore with the primary co-operative societies which they are unable to clear?

**Mr. Speaker:** The State Government has not informed them.

**Dr. Rama Rao:** Have they heard reports?

**Shri Karmarkar:** We have heard reports, but not about the exte t. One crore or two crores we have not heard till now.

**Shri B. S. Murthy:** May I know whether any primary co-operative societies have approached the Central Government to help them to remove the stocks?

**Shri Karmarkar:** The primary societies approach the State Governments in the first instance, then the State Governments approach the Central Government for help. As I have said, if they approach,we shall consider the matter very sympathetically.

**Shrimati Tarakeshwari Sinha:** The Government says they have no information about the accumulation of stocks of handloom coloth. may I know if Government have no information about the accumulation of handloom cloth in the country, how they plan their future programme of production of handloom cloth?

**Shri Karmarkar:** Firstly the question relates only to Andhra and Madras. Secondly, I have not said we have no information, but that we have heard.

**Shrimati Renu Chakravartty:** In view of the fact that all our taxation policy on cloth etc., is based on the fact that we do not have enough production of cloth, is the Government going to find out from all the States the correct position regarding handloom as well as mill cloth before levying such excise duties?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** May I say

that the taxation policy is not based on this supposition that there is not sufficient cloth? Because the prices were rising and there was some sort of speculation about them that excise duties were levied to bring down prices. About this particular matter, the other day when the Handloom Board met, they told me that they have got some stocks accumulated, and we told them to approach us through the State Governments and we would give them help, but they have not yet written to us.

**Shrimati Tarkeshwari Sinha:** May I know.....

**Mr. Speaker:** I am not going to allow. Hon. Members have become accustomed to ignore local legislatures, and they never care to communicate any of these difficulties to their counterparts locally. Each hon. Member has under him five or seven Legislative Assembly Members belonging to the State. If the States do not move the Centre, must the Centre move the States?

## मतदान के बारे में प्रलेख चलचित्र

*१४६०. **श्री रनदमन सिंह** : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या फिल्म डिवीजन द्वारा तैयार किया गया "यह आपका वोट है" प्रलेख चल-चित्र ३० नवम्बर, १९५६ से प्रदर्शित किया जा रहा है ;

(ख) यदि हां, तो यह चल-चित्र कब तक दिखाया जायेगा ;

(ग) उसको तैयार करने में कितनी राशि खर्च हुई ;

(घ) क्या यह चलचित्र देहाती क्षेत्रों में भी दिखाया जायेगा ; और

(ङ) यदि नहीं, तो देहातों में लोगों को अपने वोट का ठीक प्रकार से प्रयोग करने की शिक्षा देने के लिये सरकार क्या उपाय करने जा रही है ?

**सूचना और प्रसारण मंत्री (डा० केसकर)** : (क) जी हां ।

(ख) फिल्म का प्रदर्शन कुल ३५७७ वाणिज्य सिनेमा घरों में, जिनमें चलती-फिरती टाकीज भी शामिल है, ८ फरवरी, १९५७ तक पूरा हो जायेगा ।

(ग) फिल्म की तयारी पर खर्च हुई लागत का हिसाब लगाने में कुछ समय लगेगा । इसलिये उसके ठीक आंकड़े बताना इस समय संभव नहीं है ।

(घ) जी, हां चलती-फिरती टाकीज के अतिरिक्त, यह फिल्म केन्द्रीय तथा राज्य सरकारों की गाड़ियों द्वारा भी, जिनकी संख्या लगभग ४५० है, दिखाई जायेगी ।

(ङ) प्रश्न नहीं उठता । मोटे तौर पर यह कहा जा सकता है कि देहाती मतदाताओं को रेडियो के विशेष कार्यक्रम तथा दृश्य प्रचार सामग्री जैसे इश्तहार, पोस्टर, सिनेमा स्लाइड्स, अखबारों में डिस्पले विज्ञापनों द्वारा शिक्षा दी जा रही है ।

**श्री रनदमन सिंह** : मैं यह जानना चाहता हूं कि अब तक ये चलचित्र कितने क्षेत्रों में दिखाये गये हैं और अनुपात में मतदाताओं की संख्या क्या है, जो इन्हें देख चुके हैं ?

**Mr. Speaker:** Order, order. The Question Hour is over.

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## WRITTEN ANSWERS TO QUESTIONS

### Report of the Chief Inspector of Mines

*1434. **Shri Chattopadhyaya:** Will the Minister of **Labour** be pleased to state when the annual report of the Chief Inspector of Mines in India for the year 1955 will be published?

**The Minister of Labour (Shri Khandubhai Desai):** The Report has been prepared by the Chief Inspector of Mines and will be printed and published as soon as possible.

### Foreign Technical Assistance

*1438. **Shri Ram Krishan:** Will the Minister of **Heavy Industries** be pleased to state:

(a) whether some foreign countries have agreed to give technical assistance

to India to develop her Industries during the Second Five Year Plan;

(b) if so, the names of the countir ; and

(c) the nature of assistance offered, country-wise ?

**The Minister of Heavy Industries (Shri M. M. Shah):** (a) Yes, Sir.

(b) Several countries including U.S.A., U.S.S.R., U. K., Canada, West and East Germany, Japan, Sweden and Italy.

(c) The nature of the assistance offered ranges from training facilities in the country concerned to supply of experts, technical equipment and know-how for industries the Second Five Year Plan.

**Indo-Pakistan Agreement on Shrines and Holy Places**

***1439. Shri D. C. Sharma:** Will the **Prime Minister** be pleased to state:

(a) whether the Joint Committee composed of the representatives of India and Pakistan to work out the details of implementation of the Agreement of 1953 on shrines and holy places has since completed its work; and

(b) if so, what is the nature of recommendations made?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan:)** (a) and (b). No, Sir.

The work of compiling lists of holy places and shrines in both India and Pakistan is continuing.

It has been suggested to the Government of Pakistan that a meeting of the Joint Committee may be held early in 1957. Their reply is awaited.

**Newsprint Plants**

***1445. Shri Shivananjappa:** Will the Minister of **Heavy Industries** be pleased to state:

(a) whether it is a fact that National Industrial Development Corporation is considering a scheme to establish a plant for the manufacture of newsprint from begasse;

(b) if so, the total estimated cost of the plant; and

(c) the annual production capacity of the plant ?

**The Minister of Heavy Industries (Shri M. M. Shah):** (a). Yes, Sir.

(b) and (c). Consultations with the foreign expert firm are still in progress. The cost may be between Rs. 4 to Rs. 6 crores for a production capacity of 30,00 tons of newsprint per annum.

**Indo-Pakistan Passport Facilities**

***1448. Shri M. Islamuddin:** Will the **Prime Minister** be pleased to refer to the reply given to Unstarred Question No. 8 on the 16th July, 1956 regarding Indo-Pakistan Passport facilities and state:

(a) whether the revised scheme for Indo-Pakistan Passport drafted by the Government of India on the basis of the agreement reached between the Pakistani Minister for the Interior and India's Minister for Rehabilitation during their discussion in Karachi in April, 1955 and sent to the Government of Pakistan in May, 1955, has been accepted by the Government of Pakistan;

(b) if so, the details thereof; and

(c) if not, whether the matter has been pursued further ?

**The Deputy Minister of External Affairs (Shri Anil K. Chanda):** (a) and (b). No, Sir. The Pakistan Government have not yet accepted the agreement.

(c) As there has been no response from the Government of Pakistan, it has not been considered necessary to pursue the matter further.

**Chakma Refugee Camp**

***1457. Shri Dasaratha Deb:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether it is a fact that a number of displaced persons of Howaibari and Chakma Refugee Camps in Tripura died during the last three or four months;

(b) if so, the number of deaths since the month of July, 1956;

(c) the causes of such deaths; and

(d) the steps Government propose to take to arrest the death rate of these refugee camps ?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) to (c). The Howaibari and Chakma Relief Camps were opened in Tripura by the State Government in the last fortnight of August, 1956. There were 7,261 displaced persons in these camps at the end of November, 1956. During this period 68 persons died. The deaths were due to natural causes like old age, normal diseases like Malaria, Dysentery etc.

(d) Medical facilities in the form of a mobile dispensary have been available in these camps. A dispensary was started at Chakma camp in November, 1956 and another is being opened at Howaibari Camp.

### Wage Boards

*1451. **Shri Kajrolkar:** Will the Minister of **Labour** be pleased to refer to the supplementaries on Starred Question No. 842 on the 5th December, 1956 and state:

(a) the names of the industries for which Wage Boards are proposed to be set up; and

(b) when are they expected to start functioning?

**The Minister of Labour (Shri Khandubhai Desai):** (a) and (b). The matter is being considered in consultation with the State Governments and it is not possible to indicate at this stage the industries for which Wage Boards will be set up and the date from which they will start functioning.

### Post and Telegraph Services, Agreement with China

*1462. **Sardar Iqbal Singh:**
**Sardar Akarpuri:**

Will the Minister of **Communications** be pleased to state:

(a) whether any agreement has been signed between India and People's Republic of China to regulate the Post and Telegraph services in both the countries; and

(b) if so, the main features of the agreement?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) No.

(b) Does not arise.

### Telephone Lines

*1463. **Shri R. N. Singh:** Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that tenders were invited for laying new telephonic transmission lines between Delhi and Calcutta with six miles distance of Repeaters;

(b) if so, how many tenders were received;

(c) what was the real estimated cost of the said Repeater and which of the tenders were accepted; and

(d) whether a copy of the agreement will be laid on the Table?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) Tenders were invited for the first phase, namely—

(*i*) Carrier Equipment to be imported for New Delhi-Agra, Agra-Benaras and Lucknow-Kanpur Sections;

(*ii*) Power Plant for above, and

(*iii*) Cables for Agra-Benares and Lucknow-Kanpur;

(b) *and* (c) (*i*) 7 tenders were received for the equipment.

(*ii*) 9 for the power plant,

(*iii*) 12 for the co-axial cable, and

(*iv*) 11 for symmetrical pair cable.

Tenders for equipment and Power Plant have been accepted. The estimated cost of these two items for the entire scheme covering Bombay-Delhi-Asansol route is nearly Rs. 1·9 crores.

(d) No agreement has yet been entered into.

### News Bulletins of A.I.R.

*1464. **Shri M. S. Gurupadaswamy:** Will the Minister of **Information and Broadcasting** be pleased to state:

(*a*) whether it is a fact that no mid-day bulletins are being issued in major Indian languages like Malayalam, Kannada and Punjabi; and

(*b*) whether Government would consider the starting of mid-day bulletins in such languages also?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) and (b). Yes, Sir, Mid-day news bulletins are being broadcast only in 8 out of the 14 languages recognised in the Constitution. As soon as additional transmitter facilities become available at Delhi, such bulletins will be started in as many of the other languages as is feasible.

### Industrial Committee on Transport Services

*1465. **Shri Chattopadhyaya:** Will the Minister of **Labour** be pleased to refer to the reply given to Starred Question No. 1981 on the 10th September, 1956 and state:

(a) whether any decision has since been taken to set up an Industrial Committee on Transport Services; and

(b) if so, when the first meeting of the said Committee is likely to be convened?

**The Minister of Labour (Shri Khandubhai Desai):** (a) Yes.

(b) As soon as the composition of the Committee is settled.

### Coal Mining Equipment

*1466. **Shri Krishnacharya Joshi:**
**Shri T. B. Vittal Rao:**

Will the Minister of **Heavy Industries** be pleased to state:

(a) the steps taken by Government for the manufacture of coal mining equipment in India; and

(b) whether there is any proposal to invite foreign experts to advise Government on the manufacture of coal mining equipment?

**The Minister of Heavy Industries (Shri M. M. Shah):** (a) and (b). A statement is placed on the Table of the House. [*See* Appendix V, annexure No. 108].

### अतिरिक्त विभागीय कर्मचारी

*१४६७. **श्री भक्त दर्शन** : क्या संचार मंत्री २ अगस्त, १९५६ के तारांकित प्रश्न संख्या ६१५ के उत्तर के सम्बन्ध में बताने की कृपा करेंगे कि :

(क) डाक-तार विभाग के अतिरिक्त विभागीय कर्मचारियों के वेतन-क्रम व नौकरी की शर्तों में संशोधन करने का जो प्रश्न विचारधीन था, क्या इस बीच उसके बारे में अन्तिम निर्णय कर लिया गया है ; और

(ख) यदि हां, तो क्या संशोधित वेतन-क्रमों और सेवा की शर्तों के ब्योरे का एक विवरण सभा-पटल पर रखा जायेगा ?

**उत्पादन उपमंत्री (श्री सतीश चन्द्र)** : (क) अभी नहीं ।

(ख) यह प्रश्न नहीं उठता ।

### Rolling Mills in Bihar

*1468. **Pandit D. N. Tiwary:** Will the Minister of **Heavy Industries** be pleased to state:

(a) whether applications of merchants for setting up rolling mills in Bihar have been received either directly or endorsed by the Government of Bihar; and

(b) if so, whether they have been considered and sanctioned?

**The Minister of Heavy Industries (Shri M. M. Shah):** (a) Yes, Sir.

(b) All applications are still under consideration.

### Lignite Project

*1469. **Shri Shivananjappa:**
**Shri Bibhuti Mishra:**

Will the Minister of **Production** be pleased to refer to the reply given to Unstarred Question No. 1743 on the 12th September, 1956 and state:

(a) the total cost of the order placed with German firms for excavation and conveyor machinery for India's Lignite industry;

(b) the names of the firms; and

(c) when the machinery is expected to reach India?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) The total cost at site of the Excavation and Conveyor machinery ordered for the Neyveli Lignite Project from German firms is Rs. 390 lakhs approximately.

(b) The suppliers of the machinery are, Messrs. (L.M.G.) Orenstein-Koppel Und Lubecker-Maschinenbau and Messrs. Krupp—Indien-Handelsgesellschaft.

(c) The delivery of machinery is to commence from January, 1958 and will be completed in 1959.

### Textile Mills

*1470. **Shri Ramananda Das:** Will the Minister of **Commerce and Consumer Industries** be pleased to state:

(a) whether it is a fact that quota, below the total requirements of the State of West Bengal, of cloth and other linen goods has recently been fixed by Government resulting in decrease in the number of 'shifts' of all of the West Bengal cotton mills;

(b) whether this measure has resulted in unemployment; and

(c) if so, the steps taken by Government in the matter?

**The Minister of Trade (Shri Karmarkar):** (a) No such quota has been fixed by the Government.

(b) and (c). Do not arise.

**Employees' Provident Fund Act**

*1471. **Shri H. N. Mukerjee** : Will the Minister of **Labour** be pleased to state:

(a) whether the attention of Government has been drawn to representations requesting extension of the Employees' Provident Fund Act and the Scheme framed thereunder to the employees of Cinema theatres and the lowering of the minimum limit from fifty to fifteen; and

(b) whether Government have taken any decision in the matter?

**The Minister of Labour (Shri Khandubhai Desai)**: (a) Yes.

(b) The matter is still under the consideration of Government.

**A. I. R.**

*1472. **Shri Kamath**:
**Shri A. K. Gopalan**:

Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether it is a fact that All India Radio did not broadcast news of the public meeting organised by Maha Gujarat Parishad on the 2nd October, 1956 at Ahmedabad;

(b) whether All India Radio carried a report about another public meeting organised by the Gujarat Congress Committee and addressed by the Prime Minister; and

(c) if so, the reasons therefor?

**The Minister of Information and Broadcasting (Dr. Keskar)**: (a) to (c). The address of the Prime Minister was covered by All India Radio on account of its news value. Agency reports of the meeting organised by the Maha Gujarat Parishad were not broadcast because (i) they were not available in the Newsroom of All India Radio until the next morning and it was, therefore, too late to include them even in the main morning bulletin, and (ii) agency reports showed that the speakers at the meeting referred mainly to election programmes and prospects, a topic which it is not the practice of All India Radio to include in its news bulletins.

**Burra-Dhemo Colliery Accident**

*1473. **Shrimati Renu Chakravartty**: Will the Minister of **Labour** be pleased to refer to the replies given to Starred Question Nos. 445 and 501 on the 27th November 1956, and state:

(a) whether it is a fact that eleven miners of Burra-Dhemo colliery who miraculously lived, in spite of inundation of the mine, have since been refused employment or payment of dues by the Manager of the Mine; and

(b) the steps Government propose to take to see that these men are given immediate employment and relief to ensure their livelihood and return to health?

**The Minister of Labour (Shri Khandubhai Desai)**: (a) No.

(b) Does not arise.

**Import Licenses for Motor Vehicles Parts**

*1474. **Dr. Rama Rao**:
**Shri P. Subba Rao**:

Will the Minister of **Commerce and Consumer Industries** be pleased to state:

(a) whether it is fact that licenses to import motor vehicle parts on *ad hoc* basis have been given to a single firm;

(b) if so, why; and

(c) what is the standing of this firm?

**The Minister of Trade (Shri Karmarkar)**: (a) No, Sir.

(b) and (c). Do not arise.

**Lock out in West Hill Oil Mills**

*1475. **Shri A. K. Gopalan**: Will the Minister of **Labour** be pleased to state:

(a) whether Government are aware that West Hill Oil Mills (Malabar District, Kerala State) declared a lick out in October, 1956 during the pendency of an Industrial dispute before an officer; and

(b) if so, the action taken by Government in this regard?

**The Minister of Labour (Shri Khandubhai Desai)**: (a) and (b). Information is being collected from the State Government and it will be placed on the Table of the House in due course.

**Displaced Persons in Tripura**

*1476. **Shri Dasaratha Deb**: Will the Minister of **Rehabilitation** be pleased to state:

(a) whether it is fact that due to scarcity of food and the rise in prices of the essential commodities a large

number of refugees have been living on the verge of starvation at present in Tripura;

(b) whether any memorandum has been submitted to Government by any refugee organisation of Tripura in the middle of October, 1956;

(c) if so, what are those grievances contained in such memorandum, if any; and

(d) what steps have been taken so far or are proposed to be taken in the matter?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna)**: (a) No.

(b) to (d). The Tripura Administration received a representation dated 17th October, 1956 addressed by the President, The United Refugee Committee to the Director of Rehabilitation, Tripura. This representation was of a general nature and contained some suggestions for expediting implementation of rehabilitation schemes including those for employment of displaced persons, advance of rehabilitation loans, increasing facilities for drinking water supply in the rehabilitation colonies, etc. The suggestions are receiving consideration.

### Radio and Wireless Licensing Branch Staff (Mysore)

*1477. **Shri M.S. Gurupadaswamy**: Will the Minister of **Communications** be pleased to state:

(a) whether it is a fact that the services of the personnel working in the Radio and Wireless licensing Branch of the Government of Mysore were transferred to the Posts and Telegraphs Department of the Government of India on the 1st April, 1950;

(b) if so, whether it is a fact that the re-fixation of scales of Pay of those officers has not been decided so far;

(c) whether it is fact that those officers have not been permitted since then to draw their usual increments, allowances, etc., on the ground that their fixation of scales of pay has not been done; and

(d) when the Government propose to take a decision in this matter?

**The Deputy Minister of Production (Shri Satish Chandra)**: (a) Yes.

(b) No.

(c) No. The pay of only two officials has not been fixed so far.

(d) Shortly.

### Patel Lecture Series

*1478. **Shri Krishnacharya Joshi**: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether the Scheme of Patel Lecture Series in Hindi has been finalised; and

(b) if so, when will the Speakers deliver their talks?

**The Minister of Indormation and Broadcasting (Dr. Kesker)**: (a) There is no separate scheme for Patel Lecture series in Hindi. Depending upon the selection of the speaker and his special subject, the language in which the lectures are to be delivered may be English, Hindi or any other regional language.

(b) Does not arise.

### कागज उद्योग

*१४७९. श्री भक्त दर्शन :
श्री बी० चं० शर्मा
श्री शिवनंजप्पा :

क्या भारी उद्योग मंत्री १४ अगस्त, १९५६ के तारांकित प्रश्न संख्या १०५३ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या भारत में कागज के उत्पादन के बारे में जर्मनी व इटली के दलों की विस्तृत सिफारिशें प्राप्त हो चुकी हैं ;

(ख) यदि हां, तो क्या उन सिफारिशों की मोटी रूप रेखा पटल पर रखी जायेगी ; और

(ग) उन सिफारिशों के बारे में सरकार ने क्या निर्णय किया ?

**भारी उद्योगमंत्री (श्री म० मो० शाह)**: (क) और (ख). जर्मन दल ने गन्ने की छोई से अखबारी कागज बनाने के लिये अपनी ए—जैड प्रणाली अपनाने की सिफारिश की है । यह रिपोर्ट अभी प्रारम्भिक है और विदेशी फर्मों के साथ अभी और टेकिनकल सलाह मशविरा किया जा रहा है । इस योजना के अनुसार ऐसा कारखाना

खोलने का विचार है जिससे हर साल ३०,००० टन अखबारी कागज बनाया जायेगा ।

इटली का दल अभी चुने हुये भारतीय कच्चे माल के बारे में अपना परीक्षण कर रहा है । जब तक ये परीक्षण खत्म नहीं हो जायेंगे तब तक उसकी रिपोर्ट तैयार नहीं होगी ।

(ग) विशेषज्ञ फर्मों के साथ सलाह मशविरा समाप्त हो जाने के बाद ही सरकार कोई निर्णय करेगी ।

### Vigilance Officers

*1480. **Pandit D. N. Tiwary**: Will the Minister of **Works, Housing and Supply** be pleased to refer to the replies given to the supplementaries on starred Question No. 1637 on the 1st September, 1956 and state:

(a) the number of cases detected by the Vigilance Officers;

(b) the number of cases dealt with departmentally;

(c) the number of cases taken to courts; and

(d) whether any departmental action was taken against those who were let off by the courts under technical grounds or for want of sufficient evidence?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar)**: (a) to (d). A statement is placed on the Table of the House. [*See* Appendix V annexure No. 109.]

### Coal Price in West Bengal

*1481. **Shri Ramananda Das**: Will the Minister of **Production** be pleased to state:

(a) whether it is a fact that the price of coal has been fixed at a uniform rate for Bombay and Calcutta;

(b) if so, whether this uniform price of coal has told adversely on the Industries in general and Small Scale Industries in particular in West Bengal; and

(c) what was the price of coal prevailing, before the introduction of new price structure?

**The Deputy Minister of Production (Shri Satish Chandra)**: (a) No, Sir.

(b) and (c). Do not arise.

### Selection of Delegations for Visits Abroad

*1483. **Shri Kamath**: Will the Minister of **Parliamentary Affairs** be pleased to state:

(a) at what stage the selection of personnel of a delegation including M.P's sponsored by a Ministry for visit abroad, he is informed;

(b) the details of the information be is vouchsafed; and

(c) whether he is allowed to suggest any changes in the personnel or leadership of the delegation in so far as the same has a bearing on Members of Parliament?

**The Minister of Parliamentary Affairs (Shri Satyanarayan Sinha)**: (a) The Minister for Parliamentary Affairs is informed about the inclusion of Members of Parliament in a delegation going abroad, at or after the initial stage of a provisional selection and in any case before the selection is finalised.

(b) Other Information furnished generally relates to the size of delegation, purpose and duration of visit, and its other members.

(c) Yes.

### Manufacture of Carbon Black

1305. **Shri Ram Krishan:**
**Shri V. P. Nayar:**

Will the Minister of **Heavy Industries** be pleased to refer to the reply given to Starred Question No. 1096 on the 14th August, 1956 and state:

(a) whether the scheme for manufacture of Carbon Black in India during Second Five Year Plan has been finalised; and

(b) if so, the main features thereof?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai)**: (a) and (b). No, Sir, Preliminary consultations with expert firms are still in progress.

### Basic Refractories Factory

1360. **Shri Ram Krishan:**
**Sardar Iqbal Singh:**
**Sardar Akarpuri:**

Will the Minister of **Heavy Industries** be pleased to refer to the reply given to

Starred Question No. 1633 on the 1st September, 1956 and state:

(a) whether the details of the scheme for setting up a factory for making basic refractories have been finalised; and

(b) if so, the details thereof?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (a) and (b). No, Sir. The details of the scheme to be implemented are under consideration.

### Delegation of Small Scale Manufacturers

**1307. Shri Ram Krishan:** Will the Minister of **Commerce and Consumer Industries** be pleased to refer to the reply given to Unstarred Question No. 1213 on the 1st September, 1956 and state:

(a) whether the proposal for sending a delegation of small-scale manufacturers to Sweden has been finalised; and

(b) if so, the details thereof ?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (a) and (b). Yes, Sir. Six Technicians have been selected for training in Sweden and arrangements are now being made for their deputation.

### Paper

**1308. Shri Ram Krishan:** Will the Minister of **Heavy Industries** be pleased to state:

(a) the total quantity of paper manufactured in India during 1956 so far;

(b) the total imports and exports of paper during the same period; and

(c) the names of exporting and importing countries ?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (a) 159,822 tons during the first 10 months of this year.

(b) Imports: 116,150 tons.
Exports: 2,100 tons.

(c) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 110]

### Masli Co-operative Society of Displaced Persons

**1309. Shri Biren Dutt:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether the Masli Co-operative Society of displaced persons has been given aid to start a fishery;

(b) whether the reclamation of the Masli Beel has been completed; and

(c) if so, the amount spent in this regard ?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) to (c). A scheme for the development of a fishery in Maslichhera for the benefit of displaced persons was sanctioned at a cost of Rs. 27,900/-. The Tripura Administration have started the work. On the work displaced persons will be employed, most of whom are members of the Multi-purpose Co-operative Society. An expenditure of Rs. 5,000/- has already been incurred.

### Tile Factories

**1310. Shri C. R. Iyyunni:** Will the Minister of **Commerce and Consumer Industries** be pleased to state:

(a) how many tile factories are there roundabout and near Trichur in Kerala State:

(b) whether the tiles manufactured in those factories are exported to foreign countries;

(c) if not, the reasons therefor; and

(d) whether it is possible to export them if some improvement is made in the process of manufacture like better grinding of earth ?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (a) Over 50.

(b) and (c). Exports are not appreciable as the tiles have not yet established a market in foreign countries.

(d) The possibility of expansion of export trade would depend not merely on improvement in the technique of manufacture but also on building up a market as 'quality goods' abroad.

### डाक-तार भवन (उत्तर प्रदेश)

**१३११. श्री भक्त दर्शन :** क्या संचार मंत्री १८ मई, १९५६ के अतारांकित प्रश्न संख्या २१९३ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) चालू वित्तीय वर्ष (१९५६-५७) में डाक और तार विभाग के उत्तर प्रदेश परिमण्डल (जोन) में जिन ५५ भवनों के निर्माण का कार्यक्रम निश्चित किया गया था, उन में से प्रत्येक के निर्माण में अब तक क्या प्रगति हुई है ;

(ख) क्या उसके अतिरिक्त किन्हीं अन्य भवनों के निर्माण का निश्चय किया गया है ; और

(ग) यदि हां, तो उसका ब्यौरा क्या है ?

**उत्पादन उपमंत्री (श्री सतीश चन्द्र)** : (क) से (ग). ब्यौरा एकत्रित किया जा रहा है और जितनी जल्दी हो सकेगा यह सभा-पटल पर रखा जायेगा ।

### डाक-तार सुविधाओं का विकास

१३१२. **श्री भक्त दर्शन** : क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५६-५७ के आयव्ययक प्राक्कलनों में नये डाक घरों, तारघरों, टेलीफोन एक्सचेंजों और पब्लिक कौल आफिसों के खोलने के लिये अलग अलग कितनी धनराशियां निर्धारित की गई हैं ; और

(ख) प्रत्येक सर्किल के लिये उन मदों के अन्तर्गत अलग-अलग कितना धन स्वीकृत किया गया है अथवा किया जाने वाला है ?

**उत्पादन उपमंत्री (श्री सतीश चन्द्र)** : (क) और (ख). जानकारी प्राप्त की जा रही है और यथा शीघ्र सभा-पटल पर रखी जायेगी ।

### All India Khadi and Village Industries Board

1313. **Shri T. B. Vittal Rao:** Will the Minister of **Production** be pleased to state:

(a) the terms and conditions on which Certification Committee of All India Khadi and Village Industries Board, Lucknow issues a certificate to a prospective Ashram or Bhandar or production centre desirous to deal in hand spun, hand woven khadi and Gramudyog articles produced by certified production centres or desirous to engage in the production of certified hand spun, hand woven khadi;

(b) whether the Certification Committee keep any watch over the working of its certified production centres and Bhandars;

(c) if so, what procedure has been evolved by the above body to inspect the working of its certified production centres and Bhandars, and

(d) whether the Certification Committee of the Khadi Board so far cancelled the certificate of any Bhandar or production centre for any infringement of the principles laid down by the Committee for the certification of hand spun hand woven genuine khadi ?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) Certificates are issued for production and sale of Khadi to such centres only as are run by (*a*) Charitable public institutions, (*b*) Co-operative societies and (*c*) the State Governments, provided they conform to the rules and regulations formulated by the Certification Committee of the Khadi Board. A copy of the rules is laid on the Table of the House. [*See* Appendix V, annexure No. III] The question of certification of other village industry products is under consideration at present.

(b) Yes.

(c) Zonal Directors, Inspectors and Auditors of the Khadi Board keep a watch over the certified institutions to ensure that prescribed rules and regulations are properly enforced.

(d) During 1955-56 the Committee cancelled the certificates issued in favour of Gramudyog Khadi Sangh, Gaura Badshahpur and Johar Sahakari Vikas Sangh, Musyari on account of certain irregularities detected in the work of those institutions.

### Coal Mines Labour Welfare Fund Organisation

1314. **Shri Chattopadhyaya :** Will the Minister of **Labour** be pleased to state:

(a) whether a copy of the findings of the Study Group constituted to enquire into the working of the Coal Mines Labour Welfare Fund Organisation will be laid on the Table of the Sabha; and

(b) the steps Government have so far taken to implement those recommendations ?

**The Minister of Labour (Shri Khandubhai Desai)** : (a) No.

(b) Most of the recommendations have been accepted and are being implemented.

### Nangal Fertilizer Project

1315. **Shri Krishnacharya Joshi :**
**Shri D. C. Sharma :**

Will the Minister of **Production** be pleased to state:

(a) what are the recommendations in the Preliminary Reports submitted by the

three foreign firms for the Nangal Fertilizer Project; and

(b) the steps taken to implement these recommendations?

**The Deputy Minister of Production (Shri Satish Chandra)** : (a) The reports of two firms cover both the fertilizer and Heavy Water portions of the Project, while that of the third firm covers only the Heavy Water portion. Each of the three firms has recommended specified processes after considering several alternatives.

(b) One of the firms, *viz.* Messrs Vitro Engineering Division of New York, have been engaged as Technical Consultants for the Project, and asked to proceed with the designing and engineering of the various plants.

**Five Year Plan Week Celebrations**

**1316. Shri Krishnacharya Joshi** : Will the Minister of **Information and Broadcasting** be pleased to state :

(a) whether Mobile Units co-operated with the State Governments in celebrating Five Year Plan Weeks in 1955 and 1956; and

(b) the number of States which celebrated the Weeks?

**The Minister of Information and Broadcasting (Dr. Keskar)** : (a) Yes.

(b) 25 out of the 27 former 'A', 'B' & 'C' States.

**Popularisation of U. N. Objectives**

**1317. Shri Krishnacharya Joshi** : Will the **Prime Minister** be pleased to state the steps taken by Government to popularise the objectives and purposes of United Nations and its specialised agencies to create better international understanding?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan)** : A statement giving the information is placed on the Table of the House. [*See* Appendix V, annexure No. 112].

**तिब्बत से व्यापार**

१३१८. **श्री भक्त दर्शन** :
**सरदार इकबाल सिंह** :
**सरदार अकरपुरी** :

**क्या वाणिज्य और उपभोग-वस्तु उद्योग** मंत्री यह बताने की कृपा करेंगे कि १९५६ के चालू सीजन में भारत व चीन के तिब्बत प्रदेश के बीच आयात-निर्यात की क्या स्थिति रही है ?

**भारी उद्योग तथा वाणिज्य और उपभोग वस्तु उद्योग मंत्री (श्री मोरारजी देसाई)** : मार्च-अक्तूबर, १९५६ की अवधि में भारत और चीन के तिब्बत प्रदेश के बीच हुये आयात और निर्यात व्यापार के आंकड़े एक विवरण पत्र में दिये गये हैं जो सभा की मेज पर रख दिया गया है । **[देखिये परिशिष्ट ५, अनुबन्ध संख्या ११३]**

**Jute Manufacturers**

**1319. Shri Krishnacharya Joshi** : Will the Minister of **Commerce and Consumer Industries** be pleased to state :

(a) how many million tons of jute goods have been produced during 1956 so far; and

(b) the steps Government have taken to safeguard the interest of jute industries during the same period?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai)** : (a) 0·92 million tons during January to October 1956.

(b) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 114]

**Hotels Run by Government**

**1320. Pandit D. N. Tiwary** : Will the Minister of **Works, Housing and Supply** by pleased to state:

(a) whether any hotels and hostels are run by Government either wholly or in share with others; and

(b) if so whether any profit accrue to Government from this business?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P.S. Naskar)**: (a) Yes Sir. Government are running two Hotels namely, the Ashoka Hotel and the Hotel Janpath in New Delhi and five Hostels namely western Court, Constitution House, Kotah House and Raisina Road Hostel in New Delhi and the Central Government Hostel at Alipore in Calcutta. The Ashoka Hotel is run by a Limited Company in which others also have a share. The Hotel Janpath and the Hostels are owned by Government.

(b) The Hotels started functioning only in October 1956 and it is yet too early to compute the profits. Regarding the hostels tne question of profit does

not arise as accommodation is only allotted to Members of Parliament, Government officials on duty and persons coming from outside to attend meetings and conferences.

### Quarters in Gole Market and Minto Road

**1321. Shri D. C. Sharma :** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) when the residential quarters in Gole Market and Minto Road areas were constructed;

(b) What is the normal life of these quarters;

(c) whether it is a fact that most of the quarters have outlived their normal life and are not safe for residential purposes and require frequent repairs; and

(d) if so, what steps Government propose to undertake which will substantially increase the number of quarters in these areas?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar) :** (a) During 1915-25 and 1933-36 respectively.

(b) About 50 years.

(c) No, Sir. Gole Market area quarters are safe for residential purposes but require heavy repairs annually. Certain quarters in Minto Road area, where roofs contain bricks or hollow brick tile fillers have, however, become unsafe and their roofs are being replaced by stages.

(d) Government do not propose to take any steps in this direction so far as Minto Road area is concerned. As regards Gole Market area the proposal to demolish the existing quarters and to put up double storey flats at the site vacated, is under examination.

### Vinay Nagar

**1322. Shri D. C. Sharma :** Will the Minister of **Works, Housing and Supply** be pleased to state :

(a) the total number of quarters occupied by Government servants in Vinay Nagar (East, West and Main);

(b) what is the normal life of these quarters;

(c) is it a fact that a number of quarters in AB Block had cracked recently; and

(d) if so, what steps Government propose to take to ensure prevention of such defective constructions in future?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar) :** (a) 6534.

(b) About 60 to 70 years.

(c) Yes, Sir. Minor cracks occurred in only four quarters of A & B Block. Construction as such is, however not defective. The cracks occurred due to slight differential settlement and have been suitably repaired.

(d) Does not arise.

### Unemployment

**1323. Shri Buchikotaiah :** Will the Minister of **Labour** be pleased to state:

(a) the number of unemployed persons registered throughout the country in November, 1956; and

(b) how many were given jobs during the same period?

**The Minister of Labour (Shri Khandubhai Desai) :** (a) 1,23,976 were registered at the Employment Exchanges.

(b) 16,889 were placed.

### Princely Houses in Delhi

**1324. {Sardar Iqbal Singh : / Sardar Akarpuri :**

Will the Minister of **Works, Housing and Supply** be pleased to state :

(a) whether agreement of any kind has been entered into by the Union Government with the State Government of Punjab in respect of the Patiala House, Jind House, Faridkot House, Nabha House and other properties of the princes in Delhi; and

(b) if so, the terms and conditions of the agreement?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar) :** (a) and (b). No formal agreements have so far been executed with the Punjab Government in respect of the princely houses which are either on lease or under requisition with the Union Government. However, information concerning these houses is given in the statement which is laid on the Table of the House. [*See* Appendix V, annexure No. 115].

**पश्चिमी तिब्बत में भारतीय व्यापारी**

१३२५. **श्री भक्त दर्शन** : क्या **प्रधान मंत्री** यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि इस वर्ष भी समय से पहले (अक्तूबर के द्वितीय सप्ताह में) बर्फ पड़ जाने के कारण उत्तर प्रदेश में हिमालय स्थित पश्चिमी तिब्बत व भारत के मध्यवर्ती दर्रे बन्द हो गये थे जिसके कारण अनेक भारतीय व्यापारियों को, यहां तक कि भारत के वाणिज्य-दूत को भी, वहीं रुकना पड़ा ;

(ख) यदि हां, तो कुल कितने भारतीय व्यापारी वहां रुक गये थे और वे भारत के किन-किन सीमावर्ती प्रदेशों के निवासी थे ;

(ग) उन में से कितने-कितने भारतीय व्यापारी अब तक किन-किन दर्रों से सकुशल भारत पहुंच चुके हैं ;

(घ) व्यापारियों को कितनी हानि उठानी पड़ी ; और

(ङ) शेष भारतीयों को सकुशल भारत लाने के बारे में क्या कार्यवाही की जा रही है ?

**वैदेशिक कार्य मंत्री के सभासचिव (श्री साबत अली खां)** : (क) जी हां । यह खबर मिली थी कि अक्तूबर के दूसरे हफ्ते में, उत्तर प्रदेश में नाति, माना, दरमा और लिपुलेख दर्रे बरफ़ से रुक गये थे और कुछ व्यापारियों को रुक जाना पड़ा था । भारतीय व्यापारी एजेंट-गर्तोक, (कांसुल नहीं) जिन्होंने पहले नीति दर्रे से हो कर आने की योजना बनाई थी, लिपुलेख दर्रे से हो कर आये, क्योंकि गर्तोक और तिब्बत स्थित डाबा के बीच दर्रों की चलत खतरे से खाली नहीं थी । वे दरअसल रुके नहीं थे । लिपुलेख दर्रा नवम्बर के शुरू में आने-जाने के लिये खुल गया था ।

(ख) से (ङ). राज्य सरकार से सूचना मांगी गई है और उसका अभी इन्तजार है ।

**Metal Industry in Kerala**

**1326. Shri A. K. Gopalan:** Will the Minister of **Heavy Industries** be pleased to state:

(a) whether Government's aid had been sought by metal manufacturers of Kerala State for expansion of the metal Industry there; and

(b) if so, with what results?

**The Minister of Heavy Industry and Commerce and Consumer Industries (Shri Morarji Desai):** (a) and (b). It is presumed that the Member has in mind the aid sought by the Metal Industries Ltd., Shoranur. The position is that in response to representations that aid be given by Government to Metal Industries Ltd., Shoranur, for its rehabilitation, the Central Government sanctioned a loan of Rs. 75,000 in November, 1955 to the Government of Madras for disbursement to the Company. The loan is repayable to the Central Government in ten equated annual instalments of principal and simple interest at 4 % per annuam.

**Khadi Gramodyog Bhavan, New Delhi**

**1327. Babu Ramnarayan Singh :** Will the Minister of **Production** be pleased to state:

(a) whether the sewing-machines belonging to the Khadi Gramodyog Bhavan, New Delhi are permanently kept in the Bhavan or these are sometimes shifted to any other place outside the Bhavan; and

(b) if these are shifted outside the Bhavan, where and for what purpose?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) and (b). Lack of sufficient accommodation in the premises of Khadi Gramodyog Bhavan in Connaught Circus necessitates the shifting of sewing machines to other places also such as the godowns or the Manager's residentce where tailoring work is done.

**Azamnagar Post Office**

**1328. Shri M. Islamuddin:** Will the Minister of **Communications** be pleased to state:

(a) whether the Post Office at Azamnagar in the District of Purnea (Bihar) was shifted about two years back to a far-flung corner of Alampur village thereby causing inconvenience to the people of adjacent villages, particularly during rainy season;

(b) if so, the reasons which led to the shifting of Post Office from Azamnagar to Alampur; and

(c) whether it will be again brought to its original place in view of the public demand?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) Azamnagar Extra Departmental Branch Office was shifted to Alampur village on the 26th August, 1952. Only a Local Board road ten feet broad intervenes between the two villages and the distance between the old site of the office and the present site is about one furlong only. Either of the villages are centrally situated with reference to the area served.

(b) The Extra Departmental Branch Office was shifted from Azamnagar to Alampur village as the Extra Departmental Agent who accommodated the post office had to be removed for unsatisfactory work and no suitable Extra Departmental Agent at Azamnagar was available and so one was found at Alampur.

(c) Does not arise. No request has also been received for reshifting the office to its original site.

**Displaced Persons in Purnea (Bihar)**

**1329. Shri M. Islamuddin:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether any recent assessment has been made after the 1951 Census of the number of displaced persons living in the district of Purnea (Bihar) inclusive of the transferred area; and

(b) if so, their recent figures?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) No.

(b) Does not arise.

**Unemployment in Katihar**

**1330. Shri M. Islamuddin** Will the Minister of **Labour** be pleased to state:

(a) the number of unemployed Graduates, Under-Graduates, Matriculates and Non-Matriculates registered with the Katihar Employment Exchange (Bihar) during the years 1955 and 1956 as far as available; and

(b) how many of them got employment through that Exchange during the above period?

**The Minister of Labour (Shri Khandubhai Desai):** (a) and (b). The desired information is given below:

| Category of applicant | Number registered | | Number placed | |
|---|---|---|---|---|
| | 1955 | 1956 (Jan.—Sept.) | 1955 | 1956 (Jan.—Sept.) |
| 1. Graduates | 52 | 48 | 14 | 18 |
| 2. Under-graduates. | 76 | 60 | 13 | 20 |
| 3. Matriculates | 701 | 580 | 66 | 123 |
| 4. Applicants possessing qualifications of a standard below matriculation and illiterates. | 5,866 | 4,028 | 425 | 354 |
| TOTAL: | 6,695 | 4,716 | 518 | 515 |

**P. and T. Offices, Purnea**

**1331. Shri M. Islamuddin:** Will the Minister of **Communications** be pleased to state:

(a) the names of the places where combined offices (Post and Telegraph) exist in the District of Purnea (Bihar) including the transferred portion;

(b) whether Government are aware that they are inadequate for the District in relation to the area; and

(c) if so, the steps that are being taken to increase the number of combined offices in that District?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) A statement showing the required information is placed on the Table of Lok Sabha. [*See* Appendix V, annexure No. 116].

(b) and (c). Proposals have since been sanctioned for opening Combined Offices at the following six places:

1. Dharhara.
2. Kodwa
3. Korha
4. Nawabganj.
5. Raniganj.
6. Barsoighat.

Telegraph facilities will be extended to more stations, if, on examination, the respective proposals are found justified.

**टेलीफोन कनैक्शन (दिल्ली नगर)**

१३३२. **श्री प० ला० बारूपाल** : क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५५-५६ में दिल्ली शहर व नई दिल्ली से नये टेलीफोन लगाने के लिये कितने प्रार्थना-पत्र आये, उन में से कितने कनैक्शन मंजूर किये गये और कितने आवेदन पत्र अभी विचाराधीन हैं ;

(ख) क्या यह सच है कि जिन लोगों ने पहले आवेदन-पत्र दिये थे, कनैक्शन उनको न दिये जाकर दूसरों को, जिन्होंने बाद में आवेदन किया, दिये गये और यदि हां, तो इसका क्या कारण है ; और

(ग) क्या यह सच है कि अपेक्षित शुल्क डाक व तार विभाग में जमा कर दिये जाने पर भी कनैक्शन नहीं दिये जा रहे हैं ?

**उत्पादन उपमंत्री (श्री सतीश चन्द्र)** : (क)

| | दिल्ली | नयी दिल्ली |
|---|---|---|
| प्राप्त हुये आवेदन-पत्रों की संख्या | ९७३ | १३२३ |
| इन आवेदन पत्रों पर दिये गये कनैक्शन | ५४५ | ५८२ |
| विचाराधीन आवेदन-पत्रों की संख्या | ४२७ | ७४२ |

(ख) साधारण तौर पर "अपना टेलीफोन" योजना तथा इस योजना के बाहर दोनों दशाओं में टेलीफोन, आवेदन -पत्रों की तारीख के आधार पर ही दिये जाते हैं । विशेष स्थितियों में, जिनका उल्लेख नीचे किया गया है—बिना आवेदन-पत्रों की तारीख का विचार किये, टेलीफोन दिये गये हैं :

(i) जरूरी सरकारी मांगें ;

(ii) कुछ ऐसे टेलीफोन जिनकी सिफारिश राज्य सरकारों या भारत सरकार के मंत्रालयों ने विशेष रूप से की ;

(iii) कुछ ऐसे टेलीफोन, जिनकी अनुमति, उनकी बारी के अतिरिक्त टेलीफोन सलाहकार कमेटी द्वारा लोकसेवकों, सार्वजनिक-संस्थाओं, प्रैस आदि जैसे सुरक्षित वर्गों को दी गई । टेलीफोन सलाहकार कमेटी को अधिकार है कि वह जिन टेलीफ़ोनों की अनुमति दें, उसका ३० प्रतिशत ऐसे टेलीफ़ोनों का हो, जो कि अपनी बारी के अतिरिक्त आधार पर हों ।

(ग) जी नहीं । सामान्यतः फ़ीस उस समय तक नहीं ली जाती जब तक कि किसी कनैक्शन के बारे में पक्की तरह यह ज्ञात नहीं हो जाता कि उसके लगाने में कोई तकनीकी असुविधा नहीं है । कहीं कहीं तकनीकी कारणों द्वारा या टेलीफ़ोन लगवाने वालों की अपनी प्रार्थना पर भी कनैक्शन देने में कुछ देर हो जाती है ।

**Palm Gur and Khandsari**

1333. **Shri T. B. Vittal Rao:** Will the Minister of **Production** be pleased to state:

(a) the number of production centres for manufacturing Palm Gur and Khandsari on Cottage Industry basis recognised by Khadi and Village Industries Board and their location (State-wise);

(b) the amounts given to the All India Khadi and Village Industries Board for development of Palm Gur and Khandsari Industry during the years (*i*) 1953-54, (*ii*) 1954-55, (*iii*) 1955-56, and (*iv*) 1956-57 and how the amounts have been utilized by the Board; and

(c) the number of new production centres proposed to be opened during the current financial year and their location (State-wise)?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) to (c). A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 117].

### Tanneries

1334. **Shri T. B. Vittal Rao:**
**Sardar Iqbal Singh:**
**Sardar Akarpuri:**

Will the Minister of **Production** be pleased to state:

(a) the number of tanneries recognised by the Khadi Board in India and their location (State-wise);

(b) the total amounts granted to the All India Khadi and Village Industries Board for development of tannery Industries during the years (*i*) 1953-54, (*ii*) 1954-55, (*iii*) 1955-56, (*iv*) 1956-57 and how the amounts have been utilised; and

(c) the number of new tanneries proposed to be opened during the current financial year and their location (State-wise)?

**The Deputy Minister of Production (Shri Satish Chandra):** (a)

| Name of State (As before 1-11-56) | No. of Tanneries |
|---|---|
| Andhra | 1 |
| Bihar | 3 |
| Bombay | 9 |
| Delhi | 1 |
| Hyderabad | 11 |
| Madhya Pradesh | 2 |
| Madhya Bharat | 15 |
| Orissa | 1 |
| Pepsu | 1 |
| Rajasthan | 6 |
| Saurashtra | 1 |
| Travancore-Cochin | 1 |
| Uttar Pradesh | 2 |
| West Bengal | 8 |

(b) Amounts sanctioned to and disbursed by the Khadi Board:—

| Year | Amount sanctioned by Government | | Amount disbursed by Board | |
|---|---|---|---|---|
| | Grants | Loan | Grants | Loan |
| | Rs. | Rs. | Rs. | Rs. |
| 1953-54 | Nil | Nil | Nil | Nil |
| 1954-55 | 42,000 | 63,000 | 36,000 | 54,000 |
| 1955-56 | 3,75,000 | 4,75,000 | 3,67,500 | 4,65,000 |
| 1956-57 | 2,89,500 | 3,06,500 | 2,31,000 | 2,80,000 |

The amounts are being utilised for the following purposes:

(*i*) Purchase of land, sheds, tools and equipment etc.

(*ii*) Working Capital for the tanneries.

(c) 30 tanneries are proposed to be opened during the current financial year. Of these 29 tanneries have already been allocated as per details below:—

| Name of State (As before 1-11-56) | No. of Tanneries |
|---|---|
| Ajmer | 1 |
| Assam | 1 |
| Bihar | 2 |
| Bombay | 6 |
| Bhopal | 1 |
| Hyderabad | 6 |
| Himachal Pradesh | 1 |
| Madhya Bharat | 2 |
| Orissa | 2 |
| Punjab | 2 |
| Rajasthan | 3 |
| Saurashtra | 2 |
| Total: | 29 |

### Match Industry

1335. **Shri T. B. Vittal Rao:** Will the Minister of **Production** be pleased to state:

(a) the number of production Centres recognised by the Khadi Board manufacturing match box on cottage Industry basis in India and their location (State-wise);

(b) the amount sanctioned to All India Khadi and Village Industries Board for development of this Industry during the years (*i*) 1953-54, (*ii*) 1954-55, (*iii*) 1955-56 and (*iv*) 1956-57 and how these amounts have been utilised; and

(c) the number of new production centres proposed to be opened during the current financial year and their location (State-wise)?

**The Deputy Minister of Production (Shri Satish Chandra):** (a)

| State | No. of centres |
|---|---|
| Andhra Pradesh | 14 |
| Bombay | 21 |
| Kerala | 14 |
| Madhya Pradesh | 8 |
| Uttar Pradesh | 2 |
| Total | 59 |

| (b) Year | Amount Sanctioned | | Amount disbursed | |
|---|---|---|---|---|
| | Grants | Loans | Grants | Loans |
| | Rs. | Rs. | Rs. | Rs. |
| 1953-54 | 31,000 | 1,60,000 | 17,000 | 10,000 |
| 1954-55 | 47,425 | 2,65,000 | 34,580 | 2,64,000 |
| 1955-56 | 7,44,100 | 9,36,400 | 7,27,900 | 9,26,400 |
| 1956-57 (Upto 30.11.56) | 9,61,380 | 11,80,000 | 3,81,114 | 3,94,200 |

The amounts are being utilised for the following purposes:—

(i) Establishment of 'D' Class Match Factories;

(ii) Establishment of sale depots for marketing cottage matches;

(iii) Training of workers and peripatetic demonstration parties;

(iv) Publicity and propaganda; and

(v) Research and Experiments.

(c) During 1956-57, funds have been sanctioned for the establishment of 200 'D' class match factories, but the allocation of 102 centres only has been made so far as indicated below:—

| State | No. of units. |
|---|---|
| Assam | 5 |
| Andhra Pradesh | 5 |
| Bihar | 20 |
| Bombay | 5 |
| Kerala | 15 |
| Madras | 5 |
| Mysore | 10 |
| Punjab | 11 |
| Uttar Pradesh | 24 |
| West Bengal | 2 |
| Total | 102 |

**Civil Aviation Department Employees Union, Bamrauli**

**1336. Shri A. K. Gopalan:** Will the Minister of **Communications** be pleased to state:

(a) whether Government have received any representation from the Civil Aviation Department Employees Union regarding circumstance and property tax imposed on the Civil Aviation Department Staff at Bamrauli Aerodrome; and

(b) if so, the decision taken thereon ?

**The Minister of Legal Affairs and Civil Aviation (Shri Pataskar):** (a) Yes, Sir.

(b) I lay on the Table of Lok Sabha a copy of the reply sent to the Civil Aviation Department Employees Union, which contains Government's decision on their representation. [*See* Appendix V, annexure No. 118].

**Air Service Hyderabad-Visakhapatnam**

**1337. Dr. Rama Rao:** Will the Minister of **Communications** be pleased to state:

(a) whether Government are contemplating to connect by air Hyderabad with Visakhapatnam *via* Vijayawada; and

(b) whether Government have taken any decision about running a feeder service between Madras and Vijayawada?

**The Minister of Legal Affairs and Civil Aviation (Shri Pataskar):** (a) and (b). The Indian Airlines Corporation have under consideration plans to operate a feeder service Madras/Hyderabad/Vijayawada and to link Hyderabad with Visakhapatnam *via* Vijayawada.

**Trade Delegation From Afghanistan**

**1338. Shri Raghunath Singh:** Will the Minister of **Commerce and Consumer Industries** be pleased to state whether it is a fact that a trade delegation has arrived in India from Afghanistan?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** No, Sir.

**Refined Patrol**

**1339. Shri Ramananda Das:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether the rate of refined petrol is lesser at Bombay than at Calcutta; and

(b) if so, the reasons therefor?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar):** (a) Yes, Sir.

(b) The reason for the higher price of Petrol at Calcutta,—the difference being half-an-anna per gallon—is the higher ocean freight charges which are incurred in sending supplies to that port.

**A. I. R. Artists**

**1340. Shri Bheekha Bhai:** Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether it is a fact that artists and writers are employed in service on yearly and monthly basis in Radio Stations;

(b) if so, whether Government have received any representation in respect thereof; and

(c) the action taken by Government on the representation?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) to (c). As a rule artistes and writers are employed in All India Radio on the basis of a three-year contract and there are few cases where they have been employed on yearly or monthly contract. The last representations received in this matter were in the years 1949 and 1952. The policy has since been accepted of discontinuing the practice of giving contracts on yearly or monthly basis excepting in cases of purely temporary or acting vacancies.

**Cottage Industries**

**1341. Shri Ramananda Das:** Will the Minister of **Commerce and Consumer Industries** be pleased to state:

(a) whether Government is contemplating to set up a Board at the Centre as well in each State to devise ways and means to safeguard cottage industries like the manufacture of shoes, chappals and the tanning of leather; and

(b) if so, the composition of such Boards?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (a) and (b). No, Sir. However, in several States, there are Khadi & Village Industries Boards and Small Scale Industries Boards consisting of non-officials and officials.

**Civic Receptions to Distinguished Foreign Visitors**

**1342. { Shri Ramachandra Reddi: / Shri N. R. Muniswamy:**

Will the **Prime Minister** be pleased to state:

(a) the amount of money spent out of the Central Government Funds on Civic receptions in Delhi to distinguished foreign visitors to India in 1956 so far;

(b) the number of such receptions; and

(c) the average expenditure per reception?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan):** (a) So far the Government of India have not incurred any expenditure on the Civic receptions held in Delhi in honour of distinguished foreign visitors.

(b) Six.

(c) We have no information.

**Button Factories, Mehsi**

**1343. Shri Bibhuti Mishra:** Will the Minister of **Commerce and Consumer Industries** be pleased to state:

(a) whether it is a fact that Mehsi (Champaran-Bihar) button factories are facing crisis because of the competition from plastic buttons; and

(b) whether the production has come down during 1955-56 as compared to the year 1953-54?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (a) and (b). Yes, Sir. The production in the Button Industry in Mehsi in 1955-56 was less than in the previous year, but that Industry is now reported to be improving, as a result of the efforts made by the State Government to supply raw materials and facilitate marketing of finished products. The restrictive import policy now in force in respect of such buttons has also given a fillip to the Button Industry.

**भारत और तिब्बत के बीच यात्रा**

**१३४४. श्री भक्त दर्शन :** क्या **प्रधान मंत्री** २३ अप्रैल, १९५६ के तारांकित प्रश्न संख्या १६६७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या तिब्बती अधिकारी पश्चिमी हिमालय में प्रमाण-पत्र और आज्ञा-पत्र लागू करने की योजना से सहमत हो गये हैं ; और

(ख) यदि नहीं तो इस विषय में अन्य क्या कार्यवाही की जा रही है ?

**वैदेशिक कार्य मंत्री के सभा-सचिव (श्री सादत अली ) खां:** (क) और (ख). जी हां । चीनी अधिकारियों ने १० अक्तूबर, १९५६ से पश्चिमी तिब्बत से भारत में आने वाले रास्तों पर प्रमाण-पत्र की प्रणाली (सर्टिफिकेट सिस्टम) शुरू कर दी है ।

**Accommodation In Bhopal**

**1344-A. Shri Kamath** : Will the Minister of **Works, Housing and Supply** be pleased to state :

(a) the number of Central Government Officers, and Class III and IV employees who are still without accommodation in Bhopal; and

(b) the steps that have been or are being taken to tackle the problem satisfactorily ?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar)** : (a) and (b). Outside Delhi, Simla, Calcutta and Bombay the general practice has been for Central Government Servants to make their own arrangements. If necessary, this position will be reviewed consequent on Bhopal's becoming a State Capital.

**Fertilizer Factory at Naharkatia**

**1345. Shri Debendra Nath Sarma** : Will the Minister of **Production** be pleased to state :

(a) whether Government are contemplating establishment of a Fertilizer Factory at Naharkatia in Assam to utilise the gas available out of the new-found crude oil ; and

(b) if so, whether any detailed scheme for the same has been drawn up ?

**The Deputy Minister of Production (Shri Satish Chandra)** : (a) and (b). Preliminary investigations are being made at present.

**Indian Missions**

**1346. Shri Kamath** : Will the **Prime Minister** be pleased to refer to the reply given to supplementary on Starred Question No. 147 on the 20th July, 1956 and state :

(a) whether the inspection teams to Indian Missions abroad have secured the implementation of the recommendations of the Public Accounts Committee ;

(b) if so, the details thereof ; and

(c) if not, the reasons therefor ?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan)** : (a) to (c). There is only one team of the Foreign Service Inspectors and as at present constituted its functions have necessarily to be of a restricted nature. During their inspection visits upto now the Foreign Service Inspectors have been engaged mainly in

(1) Making recommendations for fixing Foreign Allowances after study of the local conditions and the living expenditure of the staff ;

(2) Examining buildings, recommending purchase, sale and large scale alterations in buildings and recommending purchase of new cars, furniture etc.;

(3) Commenting on administrative matters dealing with cases of indiscipline and bringing to light the unsuitability of officers.

While making their inspections, the Foreign Service Inspectors do, of course, always keep in view the observations and recommendations made by the Public Accounts Committee and the Estimates Committee and bring to notice of Government such irregularities as they may discover during such inspection. The question of enlarging the Inspectorate to enable it to carry out more intensive and periodical checks and to suggest better financial and budgetary control of Indian Missions abroad has been under consideration but the shortage of personnel has so far stood in the way of expanding the scope of the inspections.

**Hindustan Housing Factory**

**1347. Shri Kamath** : Will the Minister of **Works, Housing and Supply** be pleased to refer to the reply given to Starred Question No. 321 on the 22nd November, 1956 and state :

(a) the personnel of the Expert Committee ;

(b) whether the Expert Committee's report has been considered ; and

(c) if so, with what result ?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar)** : (a) *Chairman :*

Shri S. Ranganathan, I. C. S., Joint Secretary, Ministry of Works, Housing and Supply. (Secretary, Ministry of Commerce & Consumer Industries, since 25th September, 1956).

*Members* :

(1) Shri S. Ratnam, Joint Secretary, Ministry of Finance. [Financial Adviser, Ministry of Finance (Defence) since 1st November, 1955].

(2) Maj. Genl. R. E. Aserappa, Engineer-in-Chief, India, or his representative.

(3) S. Sarup Singh, Director, National Buildings Organisation.

(4) Shri R. P. Barman, Chief Engineer, Central Public Works Department (Shri J. M. Rijhwani took over the membership on Shri Barman's retirement on 15-1-56).

(5) Shri V. Venkataramayya, Chief Design Engineer (Civil), Railway Board. [Shri K. C. Sood, Chief Design Engineer (Civil), Railway Board took over the membership on 1-7-1956 from Shri Venkataramayya].

(6) Dr. Nagaraja Rao, Chief Industrial Adviser to the Government of India, Ministry of Commerce and Industry. (Dr. S. P. Verma, Development Officer represented the Chief Industrial Adviser in the Committee).

(7) Shri P. M. Nayak, I. C. S., Deputy Secretary, Ministry of Production. (Shri K. P. K. Menon, took over the membrship from Shri Nayak on 30-1-1956).

(8) Shri C. B. Patel, Housing Adviser to the Government of India, Ministry of Works, Housing and Supply.

*Joint Secretaries :*

(1) Shri R. P. Mhatre, General Manager, Hindustan Housing Factory (Worked as Secretary).

(2) Shri R. Sundaram, Cost Accounts Officer, Ministry of Finance (I & C Div.). (He could not work on the Committee due to illness from 1-11-1955).

Shri A. P. V. Krishnan, Deputy Financial Adviser, Ministry of Finance (Defence) and at present one of the Directors on Board of the Hindustan Housing Factory (Private) Ltd., worked on the Committee by special invitation.

(b) and (c). The recommendations of the Committee of Experts are being examined by Government.

### Paper Mill

**1348. Shri A. C. Joshi :** Will the Minister of **Heavy Industries** be pleased to state :

(a) whether a paper mill is proposed to be erected in the District of Shahdol (M.P.);

(b) if so, at what place and when ;

(c) how much paper and of what quality is likely to be manufactured by the said mill ; and

(d) the number of workers to be employed by the mill ?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai) :** (a) Yes, Sir.

(b) At Burhar. The mill is expected to be established within a period of 2½ years from the date of issue of the licence, *viz.* 12th June, 1956.

(c) 100 tons of paper (M. G., M. F., Printing and wrapping) and Corrugated Carton Boards per day.

(d) Precise information is not available, but it is estimated that over 1,000 persons will be employed.

### Cement Factory at Satna

**1349. Shri A. C. Joshi :** Will the Minister of **Heavy Industries** be pleased to state :

(a) whether a Cement Factory is proposed to be erected at Satna (M. P.);

(b) if so, when it will be constructed and when it will start production ;

(c) the capacity for production of the proposed mill ; and

(d) the number of workers to be employed in the mill ?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai) :** (a) and (b). Government have granted licenses under the Industries (Development & Regulation) Act, 1951 to two parties for setting up a cement factory each at Satna. One of them is expected to complete the project and go into production early next year ; the other party has not made any progress so far.

(c) The licensed total capacity of the two factories 550,000 tons per annum.

(d) The number of workers proposed to be employed in both the factories is about 1700.

### डाक-घर (विन्ध्य प्रदेश)

**१३५०. श्री रामसहाय सिंह :** क्या संचार मंत्री यह बताने की कृपा करेंगे कि :

(क) भूतपूर्व विन्ध्य प्रदेश के शाहडोल और सीधी जिलों के ग्रामीण क्षेत्रों में १९५५–५६ में अब तक कितने-कितने नये डाक-घर खोले गये हैं और १९५६–५७ में, निकट भविष्य में, और कितने डाक-घर खोले जाने वाले हैं ;

(ख) क्या केन्द्रीय सरकार को नये डाक-घरों की स्थापना के बारे में कुछ नई

प्रस्थापनायें भूतपूर्व विन्ध्य प्रदेश राज्य सरकार से प्राप्त हुई थीं ; और

(ग) यदि हां, तो ये डाक-घर कब तक खोले जायेंगे, उनकी संख्या क्या है और ये किन-किन जिलों में खोले जायेंगे ?

**उत्पादन उपमंत्री (श्री सतीश चन्द्र)** : (क)

| जिला | १९५५-५६ में खोले गये देहाती डाक-घरों की संख्या | १९५६-५७ में खोले जाने वाले देहाती डाक-घरों की संख्या |
|---|---|---|
| १. शाहडोल | १७ | ५ |
| २. सीधी | २२ | ४ |

(ख) जी, हां।

(ग) शाहडोल जिले में चचई, घुंघटी, बोरहा और चौनेडी में डाक-घर खोलने के चार प्रस्ताव आये हैं तथा सीधी जिले में तमसोरइ और चितलिकलां में डाक-घर खोलने के दो प्रस्ताव प्राप्त हुये हैं। आशा है कि इन स्थानों पर ३१ मार्च, १९५७ तक डाक-घर खुल जायेंगे।

**Compensatory Hill Allowance to P. & T. Staff**

1351. **Shri Kamath** : Will the Minister of **Communications** be pleased to state :

(a) whether it is a fact that the Postal staff employed in the Pachmarhi Bazar Post Office have not been granted compensatory hill allowance, whereas the staff working in the Pachmarhi Cantonment Post Office have been granted the same ; and

(b) if so, the reasons therefor ?

**The Deputy Minister of Production (Shri Satish Chandra)** : (a) and (b). Payment of the compensatory (hill) allowance to the P. & T. staff at Pachmarhi Bazar Post Office was stopped by the Deputy Accountant-General, Posts & Telegraphs, Nagpur, in October, 1952 for want of a certificate of physical contiguity to Pachmarhi Municipality from the Executive authorities of the Municipality or Cantonment. This certificate has since been furnished to the audit authorities and it is expected this will settle the matter.

**Development Council for Woollen Textiles**

1352. **Sardar Iqbal Singh** : Will the Minister of **Commerce and Consumer Industries** be pleased to state :

(a) the decisions taken at the meetings of Development Council for Woollen Textiles since its inception ; and

(b) the steps taken by Government on those decisions ?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai)** : (a) and (b). A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 119].

**Sub-Post Office, Bhadrak**

1353. **Shri K. C. Jena** : Will the Minister of **Communications** be pleased to state :

(a) whether it is a fact that the question of converting the Sub-Post Office of Bhadrak in the District of Balasore, Orissa, into a Head Office is under the consideration of Government in view of its heavy transactions and also because it has got a very good number of Branches and Sub-Post Offices under it ; and

(b) if so, the latest date by which the matter will be finalised ?

**The Deputy Minister of Production (Shri Satish Chandra)** : (a) and (b). The question of converting Bhadrak Sub Office into a Head Office is still under consideration of the Director, Posts & Telegraphs, Orissa.

**Staff in Press Information Bureau**

1354. **Shri Kamath** : Will the Minister of **Information and Broadcasting** be pleased to refer to the reply given to Starred Question No. 2196 on the 14th May, 1956 and state :

(a) whether the U.P.S.C.'s nominees have become available in the place of the officers of the Press Information Bureau who had not been selected by U.P.S.C.;

(b) whether some officers are still continuing in their posts on a temporary basis ; and

(c) if so, their number ?

**The Minister of Information and Broadcasting (Dr. Keskar)** : (a) Of the 12 posts mentioned in reply to Starred Question No. 2196 on 14th May, 1956, Union Public Service Commission nominees for 9 have become available and all except one have joined the posts and the remaining one is also expected to join within a few days.

(b) and (c). Of the three remaining officers who are still continuing, requisitions are pending with the Commission, and the Commission have approved the continuance of one of them and have been kept informed of the continuance of the other two.

### Approved Indian Literature in U.S.S.R.

**1355. Shri Kamath** : Will the **Prime Minister** be pleased to refer to the Statement laid on the Table by the Minister of Parliamentary Affairs in reply to Starred Question No. 1576 on the 8th September, 1955 and state :

(a) whether the Vedas, Upanishads and the Gita are among the literature approved by the State ; and

(b) whether the speeches and findings of Mahatma Gandhi, of Netaji Subhas Chandra Bose, and of Ramakrishan Vivekananda are also among the approved literature ?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan)** : (a) and (b). As has been previously stated, there is no restriction or ban on the sale of Indian literature at Railway and other bookstalls in the U. S. S. R. nor, so far as is known, is there a list of approved foreign literature, though there may be lists of the books normally imported.

Information about the books mentioned in the question is not available at present. But normally only Russian translations of foreign books are available. Some Indian classics as for instance the Ramayana and the Mahabharata have been translated into Russian language and are available in the Soviet Union.

### I.N.A. Memorial Singapore

**1356. Shri Kamath:** Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 726 and supplementaries thereon on the 6th August, 1956 regarding the construction of I.N.A. Memorial at Singapore and state whether there has been any further progress in the matter ?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan):** Our Commissioner in Malaya has made a formal approach to the Singapore Government in the matter. Their reply is awaited.

### Theft of Official Document

**1357. Shri Kamath:** Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 176 on the 19th November, 1956 and state what further progress has been made in the investigation and prosecution of the case relating to theft of official documents ?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan):** Police investigation has been completed. Proceedings for committal for offences under Sections 201 380 411 IPC and Sections 3(1) and 5(4) of the official Secrets Act are pending before the District Magistrate, Delhi. Some witnesses have already been examined. The proceedings are being held in camera.

### Newton-Chikli Colliery

**1358. Shri Kamath:** Will the Minister of **Labour** be pleased to refer to the reply given to Starred Question No. 1948 on the 10th September, 1956 regarding the Court of Enquiry appointed under Section 48 of the Indian Coal Mines Regulations, 1926 to enquire into the conduct of the Manager held responsible for Newton-Chikli Colliery disaster and state:

(*a*) whether the Court of Inquiry has submitted its report; and

(*b*) if so, what action has been taken thereon ?

**The Minister of Labour (Shri Khandubhai Desai):** (*a*) No.

(*b*) Does not arise.

### Rehabilitation of Displaced Persons in Madhya Pradesh

**1359. Shri Kamath:** Will the Minister of **Rehabilitation** be pleased to refer to the reply given to Unstarred Question No. 2531 on the 30th May, 1956 and state:

(*a*) whether the scheme for the rehabilitation of Displaced Persons from East Pakistan in Raigarh and Surguja Districts of Madhya Pradesh has since been finalised ; and

(*b*) if so, the details thereof ?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) and (*b*). No. A scheme for rehabilitation of 1,242 displaced families from East Pakistan on an area of 7,875 acres in the districts of Raigarh and Sarguja has been received from the State Government and is under consideration. In Paralakote area of Baster district, the state Government hav

been requested to formulate a scheme in respect of 30,000 acres of land which is *Prime-facie* suitable. This is, however to be a long term project, as the area is located in the middle of a Reserve Forest, is difficult of access unless several streams and rivulets are bridged and a proper road (nearly 50 miles) constructed, and would require considerable development.

**Panel for Surgical Appliances and Allied Problems**

**1360. Shri Kamath :** Will the Minister of **Commerce and Consumer Industries** be pleased to refer to the reply given to Starred Question No. 2435 on the 22nd May, 1956 and State:

(*a*) whether the Panel for the development of the manufacture of surgical appliances and allied problems in India has submitted its report ;

(*b*) if so the action taken thereon; and

(*c*) whether a copy of the report will be laid on the Table?

**The Minister of Heavy Industries and Commerce and Consumer Industries (Shri Morarji Desai):** (*a*) No, Sir.

(*b*) Does not arise.

(*c*) Yes, in due course.

**Mercy Planes to Egypt and Hungary**

**1361. Shri Kamath:** Will the **Prime Minister** be pleased to state:

(*a*) whether any relief has been sent by Government to Egypt and Hungary to alleviate the suffering in those countries; and

(*b*) if so, its kind and quantum in each case?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan):** (a) Yes.

(*b*) A statement is laid on the Table of the House [*See* Appendix V, annexure No. 120].

"योजना" पत्रिका

**१३६२. श्री रघुनाथ सिंह** : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि क्या यह सच है कि उनका मंत्रालय "योजना" नामक पत्रिका निकालने की कोई योजना बना रहा है ?

**सूचना और प्रसारण मंत्री (डा० केसकर)** : जी, हां ; अंग्रेजी और हिन्दी में ।

**Price of Land at Bhopal**

**1363. Shri Kamath:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(*a*) the price per acre of land for building purposes in Bhopal within municipal limits on the 1st October, 1955, on the 1st January, 1956, on the 1st April 1956, on the 1st July, 1956, and on the 1st October, 1956; and

(*b*) how much land has been acquired by the Central Government since 1st January, 1956 in Bhopal within municipal limits and for what purpose, from whom and at what price ?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar):** (*a*) and (*b*). Necessary information is being collecte and a statement will be placed on the Table of Lok Sabha when ready.

# DAILY DIGEST

*Friday, 21st December, 1956*


ORAL ANSWERS TO QUESTIONS — COLUMNS 1895—1924

| S.Q. No. | Subject | COLUMNS |
|---|---|---|
| 1435 | Import of Steel | 1895—97 |
| 1436 | Cheaper Press Cable Rates | 1897—98 |
| 3 | U.N.O. Observers on Cease-fire Line | 1898—99 |
| 1440 | New Employment Exchanges | 1899—1900 |
| 1441 | Bengal Salt Factories, Contai | 1900—01 |
| 1442 | Slum Clearance | 1901—02 |
| 1443 | Low Income Group Housing Scheme | 1902—03 |
| 1444 | Emporia for Handicrafts | 1203—04 |
| 1445-A | New Phillips Chalenge Globe | 1904—05 |
| 1446 | Refugee Colony, Amarda (Orissa) | 1905—06 |
| 1447 | Khadi Gramodyog Bhavan, New Delhi | 1906—07 |
| 1449 | Production of Coal | 1907—08 |
| 1450 | Illegal Entry of Pakistanis into India | 1908—10 |
| 1451 | Refugees with False Migration Certificates | 1910—12 |
| 1452 | Murder of Forest Officer in N.E.F.A. | 1912—13 |
| 1453 | A.I.R. Audition Tests. | 1913—14 |
| 1454 | Printing of Lok Sabha Proceedings | 1914—16 |
| 1455 | Ex-employees of P. & T. Department (Travancore - Cochin State) | 1916—19 |
| 1456 | Portuguese Encroachment upon Indian Coast line and Airspace | 1919—21 |
| 1458 | Acquisition of Lands for Displaced Persons | I |
| 1459 | Handloom Cloth | I I—23 |
| 1460 | Documentary Film on Voting | 1923—24 |

WRITTEN ANSWERS TO QUESTIONS — 1924—66

| S.Q. No. | Subject | COLUMNS |
|---|---|---|
| 1434 | Report of the Chief Inspector of Mines | 1924 |
| 1438 | Foreign Technical Assistance | 1924—25 |
| 1439 | Indo-Pakistan Agreement on Shrines and Holy Places | 1925 |
| 1445 | Newsprint Plants | 1925—26 |
| 1448 | Indo-Pakistan Passport Facilities | 1926 |
| 1457 | Chakena Refugee Camp | 1926 |
| 1461 | Wage Boards | 1927 |
| 1462 | Post and Telegraph Services Agreement with China | 1927 |
| 1463 | Telephone Lines | 1927—28 |
| 1464 | News Bulletins of A.I.R. | 1928 |
| 1465 | Industrial Committee on Transport Services | 1928 |
| 1466 | Coal Mining Equipment | 1929 |
| 1467 | Extra Departmental Staff | 1929 |
| 1468 | Rolling Mills in Bihar. | 1929—30 |
| 1469 | Lignite Project | 1930 |
| 1470 | Textile Mills | 1930 |
| 1471 | Employees' Provident Fund Acts | 1931 |
| 1472 | A.I.R. | 1931 |
| 1473 | Burra-Dhemo Colliery Accident | 1931—32 |
| 1474 | Import Licenses for Motor Vehicles Parts | 1932 |
| 1475 | Lock out in West Hill Oil Mills | 1932 |
| 1476 | Displaced Persons in Tripura | 1932—33 |
| 1477 | Radio and Wireless Licensing Branch Staff (Mysore) | 1933 |
| 1478 | Patel Lecture Series | 1934 |
| 1479 | Paper Industry | 1934—35 |
| 1480 | Vigilance Officers | 1935 |
| 1481 | Coal Price in West Bengal | 1935—36 |
| 1483 | Selection of Delegations for Visits abroad | 1936 |

WRITTEN ANSWERS TO QUESTIONS—*Contd*


| U.S.Q. No. | Subject | COLUMNS |
|---|---|---|
| 1305 | Manufacture of Carbon Black | 1936 |
| 1306 | Basic Refractories Factory | 1936—37 |
| 1307 | Delegation of Small Scale Manufacturers | 1937 |
| 1308 | Paper | 1937 |
| 1309 | Masli Co-operative Society of Displaced Persons | 1937—38 |
| 1310 | Tile Factories | 1938 |
| 1311 | P. & T. Buildings (U.P.) | 1938—39 |
| 1312 | Development of P. & T. Facilities | 1939 |
| 1313 | All India Khadi and Village Industries Board | 1939—40 |
| 1314 | Coal Mines Labour Welfare Fund Organisation | 1940 |
| 1315 | Nangal Fertilizer Project | 1940—41 |
| 1316 | Five Year Plan week Celeberations | 1941 |
| 1317 | Popularisation of U. N. Objective | 1941 |
| 1318 | Trade with Tibet | 1941—42 |
| 1319 | Jute Manufacturers | 1942 |
| 1320 | Hotels run by Government | 1942—43 |
| 1321 | Quarters in Gole Market and Minto Road | 1943 |
| 1322 | Vinaya Nagar | 1943—44 |
| 1323 | Unemployment | 1944 |
| 1324 | Princely Houses in Delhi | 1944 |
| 1325 | Indian Traders in West Tibet | 1945 |
| 1326 | Metal Industry in Kerala | 1946 |
| 1327 | Khadi Gramodyog Bhavan, New Delhi | 1946 |
| 1328 | Azamnagar Post Office | 1946—47 |
| 1329 | Displaced Persons in Purnea (Bihar) | 1947 |
| 1330 | Unemployment in Katihar | 1947—48 |
| 1331 | P. and T. Offices, Purnea | 1948 |
| 1332 | Telephone Connections (Delhi City) | 1949—50 |
| 1333 | Palm Gur and Khandsari | 1950—51 |
| 1334 | Tanneries | 1951—52 |
| 335 | Match Industry | 1952—53 |





| U.S.Q. No. | Subject | COLUMN |
|---|---|---|
| 1336 | Civil Aviation Department Employees Union, Bamrauli | 1953 |
| 1337 | Air Service Hyderabad-Visakhapatnam | 1954 |
| 1338 | Trade Delegation from Afghanistan | 1954 |
| 1339 | Refined Petrol | 1954 |
| 1340 | A.I.R. Artists | 1955 |
| 1341 | Cottage Industries | 1955 |
| 1342 | Civic Reception to Distinguished Foreign Visiors | 1955—56 |
| 1343 | Button Factories, Mehsi | 1956 |
| 1344 | Travel between India and Tibet | 1956 |
| 1344-A | Accommodation in Bhopal | 1957 |
| 1345 | Fertilizer Factory at Naharkatia | 1957 |
| 1346 | Indian Missions | 1957—58 |
| 1347 | Hindustan Housing Factory | 1958—59 |
| 1348 | Paper Mill | 1959—60 |
| 1349 | Cement Factory at Satna | 1960 |
| 1350 | Post Offices (Vindhya Pardesh) | 1960—61 |
| 1351 | Compensatory Hill Allowance to P. & T. Staff | 1961—62 |
| 1352 | Development Council for Woollen Textiles | 1962 |
| 1353 | Sub-Post Office, Bhadrak | 1962 |
| 1354 | Staff in Press Information Bureau | 1962—63 |
| 1355 | Approved Indian Literature In U.S. S.R. | 1963 |
| 1356 | I.N.A. Memorial, Singapore | 1963—64 |
| 1357 | Theft of Official Document | 1964 |
| 1358 | Newton-Chikli Colliery | 1964 |
| 1359 | Rehabilitation of Displaced Persons in Madhya Pradesh | 1964—65 |
| 1360 | Panel for Surgical Appliances and Allied Problems | 1965 |
| 1361 | Mercy Planes to Egypt and Hungary | 1965—66 |
| 1362 | Journal "Yojana" | 1966 |
| 1363 | Price of Land at Bhopal | 1966 |

Friday
21th December, 1956

# LOK SABHA DEBATES

**(Part II—Proceedings other than Questions and Answers)**

LOK SABHA SECRETARIA
NEW DELHI

SIX ANNAS (INLAND) TWO SHILLINGS (FOREIGN)

CONTENTS

[*Part II Debates, Volume X, 5th December to 22nd December, 1956.*]


*No.* 16—*Wednesday, 5th December, 1956* — *Columns*

Papers laid on the Table . . . . 1919—22
Vacation of seat of a Member . . . 1922—36
Central Sales Tax Bill—
Motion to consider . . . . . 1936—60
Clauses 2 to 16 and 1 . . . . . 1960—72
Motion to pass as amended . . . . . 1972—74
Representation of the People (Fourth Amendment) Bill—
Motion to consider . . . . . 1974—84
Clauses 2, 3 and 1 . . . . . 1982—87
Motion to pass as amended . . . . . 1987
Finance (No. 2) Bill and Finance (No. 3) Bill—
Motion to consider . . . . . 1987—92
Motion *re* Report of Government Inspector of Railways on Derailment of 319 Down Express . . . . . 1992—2054
Committee on Private Members' Bills and Resolutions—
Sixty-fifth Report . . . . . 2054
Message from Rajya Sabha . . . . . 2054—56
Daily Digest . . . . . 2057-58

*No.* 17—*Thursday, 6th December, 1956*

Death of Dr. Ambedkar . . . . 2059—68
Daily Digest . . . . . 2069-70

*No.* 18—*Friday, 7th December, 1956*

Papers laid on the Table . . . . 2071—72
Demands for Supplementary Grants . . 2072
Message from Rajya Sabha . . . 2072
Business Advisory Committee—
Forty-fourth Report . . . . . 2072-73
Business of the House . . . . . 2073—78
Banking Companies (Amendment) Bill—Introduced . . 2078-79
Finance (No. 2) Bill and Finance (No. 3) Bill—
Motion to consider . . . . . 2079—213 2
Committee on Private Members' Bills and Resolutions—
Sixty-fifth Report . . . . . 2132—3 5
Beedi and Cigar Labour Bill—Introduced . . . . 2135
Ancient and Historial Monuments and Archaeological Sites and Remains (Declaration of National Importance) Amendment Bill—
Motion to consider as passed by Rajya Sabha . . 2135—55
Hindu Marriage (Amendment) Bill—
Motion to consider as passed by Rajya Sabha . . . . 2157-58
Clauses 1 and 2 . . . . . 2158
Motion to pass . . . . . 2158




540 LSD

| | Columns |
|---|---|
| Women's and Children's Institutions Licensing Bill— | |
| Motion to consider as reported by Select Committee | 2158—83 |
| Clauses 2 to 12 and 1 | 2183 |
| Motion to pass as amended | 2183—88 |
| Motor Transport Labour Bill— | |
| Motion to consider | 2189—96 |
| Daily Digest | 2197-98 |
| *No. 19— Saturday, 8th December, 1956* | |
| Motion for adjournment— | |
| Buddha Jayanti Samiti, Sarnath | 2199—2202 |
| Business of the House | 2203, 2320—2 |
| Standards of Weights and Measures Bill— | |
| Motion to consider as reported by Joint Committee | 2203—64 |
| Clauses 2 to 18 and 1 and Schedules I and II | 2264—71 |
| Motion to pass as amended | 2271 |
| Road Transport Corporations (Amendment) Bill— | |
| Motion to consider | 2271—94 |
| Clauses 2, 3 and 1 | 2294—95 |
| Motion to pass | 2295 |
| Employees' Provident Funds (Amendment) Bill— | |
| Motion to consider | 2295—2319 |
| Clauses 2 to 6 and 1 | 2319-20 |
| Motion to pass | 2320 |
| Daily Digest | 2323-24 |
| *No. 20—Monday, 10th December, 1956* | |
| Papers laid on the Table | 2325—25 |
| Demands for Supplementary Grants—Railways | 2327 |
| President's Assent to Bill | 2327 |
| Business Advisory Committee— | |
| Forty-fifth Report | 2328 |
| Representation of the People (Miscellaneous Provisions) Bill—Introduced | 2328-29 |
| Indian Medical Council Bill— | |
| Motion to consider as passed by Rajya Sabha | 2329—2419 |
| Clauses 2 to 34, clause 1 and the Schedules | 2418—57 |
| Motion to pass as amended | 2459—65 |
| Electricity Supply (Amendment) Bill— | |
| Motion to consider as reported by Select Committee | 2466—76 |
| Half-an-hour Discussion *re* Indian Trade Unions (Amendment) Act, 1947 | 2476—86 |
| Daily Digest | 2487—90 |
| *No. 21—Tuesday, 11th December, 1956* | |
| Papers laid on the Table | 2491-92 |
| Electricity (Supply) Amendment Bill— | |
| Motion to consider as reported by Select Committee | 2492—2553 |
| Clauses 2 to 29 and 1 | 2553—73 |
| Motion to pass as amended | 2574 |
| Finance (No. 2) Bill and Finance (No. 3) Bill— | |
| Motion to consider | 2574—2630 |

| | Columns |
|---|---|
| Business of the House | 2630—32 |
| Half-an-hour Discussion *re* Central College of Agriculture | 2632—36 |
| Daily Digest | 2637-38 |
| *No. 22—Wednesday, 12th December, 1956* | |
| Papers laid on the Table | 2639—41 |
| Statement *re* Flood Situation in the Country | 2641—44 |
| Committee on Private Members' Bills and Resolutions — | |
| Sixty-sixth Report | 2644 |
| Petition *re* Sadhus and Sanyasis (Registration and Licensing) Bill | 2645 |
| Business Advisory Committee— | |
| Forty-fifth Report | 2645-46 |
| Business of the House | 2647-48 |
| Finance (No. 2) Bill and Finance (No. 3) Bill— | |
| Motions to consider | 2648—2746 |
| Finance (No. 2) Bill— | |
| Clauses 2 to 4 and 1, Schedules I and II | 2747—55 |
| Motion to pass | 2756 |
| Finance (No. 3) Bill— | |
| Clauses 2 to 8 and 1 | 2756—81 |
| Motion to pass as amended | 2781 |
| Half-an-hour Discussion *re* Cultural Delegation to U.S.S.R and East Europe | 2781—96 |
| Daily Digest | 2797-98 |
| *No. 23—Thursday, 13th December, 1956* | |
| Papers laid on the Table | 2799—2801 |
| Point of Information | 2802 |
| Motions *re* Modification of Life Insurance Corporation Rules | 2802—51, 2864—67 |
| Hindu Adoptions and Maintenance Bill— | |
| Motion to consider as passed by Rajya Sabha | 2851—64, 28647—2907, 2908-09, 2909—46 |
| Business of the House | 2907-08 |
| Business Advisory Committee — | |
| Forty-sixth Report | 2946 |
| Daily Digest | 2947-48 |
| *No. 24—Friday, 14th December, 1956* | |
| Business of the House | 2949-50, 3079-80 |
| Messages from Rajya Sabha | 2950-51 |
| Press Council Bill— | |
| Laid on the Table as passed by Rajya Sabha | 2951 |
| Petition *re* Sadhus and Sanyasis (Registration and Licensing) Bill | 2951-52 |
| Estimates Committee— | |
| Thirty-fourth Report | 2952 |
| Kerala State Legislature (Delegation of Powers) Bill—Introduced | 2952 |
| Territorial Councils Bill—Introduced | 2952-53 |
| Union Duties of Excise (Distribution) Amendment Bill—Introduced | 2953 |
| Hindu Adoptions and Maintenance Bill— | |
| Motion to consider as passed by Rajya Sabha | 2953—93 |
| Clauses 2 to 30 and 1 | 2993—3052 |
| Motion to pass | 3052 |

| | Columns |
|---|---|
| Committee on Private Members' Bill and Resolutions— | |
| Sixty-sixth Report | 3052 |
| Resolution *re* Scholarships for Children of Political Sufferers | 3052—79, 3080—3109, 3109—13 |
| Rules Committee— | |
| Sixth Report | 3109 |
| Resolution *re* Nationalisation of Tea Industry | 3113—20 |
| Daily Digest | 3121-22 |
| *No. 25—Monday, 17th December, 1956* | |
| Papers laid on the Table | 3123—25 |
| President's assent to Bills | 3126 |
| Messages from Rajya Sabha | 3126-27 |
| Business Advisory Committee— | |
| Forty-sixth Report | 3128—30 |
| Central Excises and Salt (Second Amendment) Bill—Introduced. | 3131 |
| Demands for Supplementary Grants, 1956-57 | 3132—3253 |
| Discussion *re* fixation of pay scales and other service conditions of employees of Life Insurance Corporation | 3253—3322 |
| Daily Digest | 3323—26 |
| *No. 26—Tuesday, 18th December, 1956* | |
| Statement *re* formation of a Rupee Oil Company in Assam | 3327-30 |
| Papers laid on the Table | 3330—32 |
| Message from Rajya Sabha. | 3332-33 |
| Faridabad Development Corporation Bill— | |
| Laid on the Table as returned by Rajya Sabha with amendment | 3333 |
| Committee on Absence of Members— | |
| Nineteenth Report | 3333 |
| Point of information | 3334 |
| Demands for Supplementary Grants, 1956-57 | 3334—64 |
| Business of the House | 3364-65 |
| Appropriation (No. 5) Bill—Introduced | 3384 |
| Demands for Supplementary Grants (Railways), 1956-57 and Demands for Excess Grants (Railways), 1953-54 | 3384—3458 |
| Appropriation (Railways) No. 6 Bill—Introduced | 3458-59 |
| Appropriation (Railways) No. 7 Bill—Introduced | 3459 |
| Representation of the People (Miscellaneous Provisions) Bill— | |
| Motion to consider | 3459—82 |
| Clauses 2 to 5 and 1 | 3482—90 |
| Motion to pass | 3490—92 |
| Motion *re* Representation of the the People (Conduct of Elections and Election Petitions) Rules | 3492—3524 |
| Daily Digest | 3525—28 |
| No. 27—*Wednesday, 19th December, 1956* | |
| Statement *re* allegations of callousness at Ariyalur Train Accident | 3529—33 |
| Papers laid on the Table | 3533-34 |
| Messages from Rajya Sabha | 3534-35 |
| Committee on Private Members' Bills and Resolutions— | |
| Sixty-Seventh Report | 3535 |
| Estimates Committee | |
| Thirty-eighth Report | 3535 |

| | Columns |
|---|---|
| Leave of Absence | 3535—38 |
| Statement *re* broadcasting facilities for political parties | 3538—42 |
| Appropriation (No. 5) Bill— | |
| Motions to consider and pass | 3543 |
| Appropriation (Railways) No. 6 Bill— | |
| Motions to consider and pass | 3543—44 |
| Appropriation (Railways) No. 7 Bill— | |
| Motions to consider and pass | 3544—45 |
| Kerala State Legislature (Delegation of Powers) Bill— | |
| Motion to consider | 3545—84 |
| Clauses 2, 3 and 1 | 3584—86 |
| Motion to pass | 3586 |
| Union Duties of Excise (Distribution) Amendment Bill— | |
| Motion to consider | 3587—93 |
| Central Excises and Salt (Second Amendment) Bill— | |
| Motion to consider | 3593—3650 |
| Clauses 2 and 1 | 3650—65 |
| Motion to pass as amended | 3665—76 |
| Business Advisory Committee— | |
| Forty-seventh Report | 3697 |
| Discussion *re* Floor and Ceiling Prices of Indian Cotton | 3677—3702 |
| Daily Digest | 3703—06 |
| *No. 28—Thursday, 20th December, 1956* | |
| Papers laid on the Table | 3707—08 |
| Messages from Rajya Sabha | 3708—10 |
| Delhi (Control of Building Operations) Continuance Bill—Laid on the Table as passed by Rajya Sabha | 3710 |
| Slum Areas (Improvement and Clearance ) Bill—Laid on the Table as passed by Rajya Sabha | 3710 |
| Delhi Tenants (Temporary Protection) Bill—Laid on the Table as passed by Rajya Sabha | 3710 |
| Committee on Petitions— | |
| Eleventh Report | 3710 |
| Procedure *re* reply to Questions on behalf of Ministers | 3710 |
| Statement *re* Buddha Jayanti Samiti, Sarnath | 3711—12 |
| Business Advisory Committee— | |
| Forty-seventh Report | 3713—14 |
| Union Duties of Excise (Distribution) Amendment Bill— | |
| Motion to consider | 3714—30 |
| Clauses 2 and 1 | 3730 |
| Motion to pass | 3730 |
| Territorial Councils Bill— | |
| Motion to consider | 3730—71 |
| Clauses 2 to 66, Schedule and clause 1 | 3771—3828 |
| Motion to pass as amended | 3828—34 |
| Banking Companies (Amendment) Bill— | |
| Motion to consider | 3834—60 |
| Motion *re* Appointment of High Power Commission on Safety in Coal Mines | 3860—82 |
| Daily Digest | 3883—86 |

*No. 29—Friday, 21st December, 1956* — *Columns*


Motion for Adjournment—
Relief measures in flood-affected areas of Eastern U.P. . . 3887—90
Papers laid on the Table . . . . . 3890—91
Messages from Rajya Sabha, *re* Ariyalur Train Disaster . . 3891, 3892—97
Estimates Committee—
Thirty-fifth to Thirty-seventh and Fortieth Reports . . 3897
Business of the House . . . . . 3897—99
Leave of Absence . . . . . 3899—3903
Banking Companies (Amendment) Bill—
Motion to consider . . . . . 3904—54
Clauses 2 to 14, Schedule and Clause 1 . . . 3954—4003
Motion to pass as amended . . . . . 4003
Committee on Private Members' Bills and Resolutions—
Sixty-seventh Report . . . . . 4004
Old and Infirm Persons' Homes Bill—Introduced . . . . . 4004
Motor Transport Labour Bill—
Motion to consider . . . . . 4005—30
Rules Committee—
Seventh Report . . . . . 4030
Code of Civil Procedure (Amendment) Bill—
Motion to consider . . . . . 4031—66
Daily Digest . . . . . 4067—70

*No. 30—Saturday, 22nd December* 1956
Motions for Adjournment . . . . . 4071—78
APPointment of a Second Pay Commission . . . . . 4071—74
Closure of cashewnut factories in Kerala . . . . . 4074—78
Papers laid on the Table . . . . . 4078—79
Messages from Rajya Sabha . . . . . 4080—85, 4272—75
President's assent to Bills . . . . . 4085—86, 4273
Estimates Committee—
Thirty-ninth and Forty-first to Forty-third Reports . 4086
Committee on Subordinate Legislation—
Sixth Report . . . . . 4086
Calling attention to Matter of Urgent Public Importance—
Fair Price Shops in Kerala . . . . . 4087—88
Rules Committee—
Seventh Report . . . . . 4088
Personal Explanation by a Member *re* Paper laid on the Table . . 4089—91

Business of the House . . . . . 4092
Faridabad Development Corporation Bill—
Amendment made by Rajya Sabha agreed to . . . . . 4092—4113
Delhi (Control of Building Operations) Continuance Bill—
Motion to consider as passed by Rajya Sabha . . . . . 4113—33
Clauses 2 and 1 . . . . . 4133
Motion to pass . . . . . 4133
Slum Areas (Improvement and Clearance) Bill—
Motion to consider as passed by Rajya Sabha . . . . . 4134—4213

| | Columns |
|---|---|
| Clauses 2 to 40, The Schedule and Clause 1 | 4213—15 |
| Motion to pass | 4215 |
| Delhi Tenants (Temporary Protection) Bill— | |
| Motion to consider as passed by Rajya Sabha | 4215—69 |
| Clauses 2 to 5 and 1 | 4269—70 |
| Motion to pass | 4270 |
| Committee on Assurances | |
| Third Report | 4242 |
| Resignation of a Member | 4242 |
| Delivery of Books (Public Libraries) Amendment Bill— | |
| Motion to consider and pass | 4270—72 |
| Motion *re* Report of U.P.S.C. | 4273—4308 |
| Daily Digest | 4309—14 |
| Resume of the 14th Session | 4315—18 |
| Index | 1—33 |

Dated 23.03.20



LOK SABHA

*Friday, 21st December, 1956*

*The Lok Sabha met at Eleven of the Clock.*

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

*(See Part I)*

12.01 hrs.

MOTION FOR ADJOURNMENT

RELIEF MEASURES IN FLOOD-AFFECTED AREAS OF EASTERN U.P.

**Mr. Speaker:** I have received notice of an adjournment motion from Shri R. N. Singh and Shri Ramji Verma, which reads as follows:

> "The total failure of the Government in providing adequate measures to relieve food shortage in the flood-devastated areas of the Eastern district of the Uttar Pradesh and the consequences thereof in the form of widespread starvation prevailing all round, people forced to flee as refugees and foodgrains being sold at the Government shops at prohibitive rates.".

May I have any information regarding this from the Minister?

**The Deputy Minister of Food (Shri M. V. Krishnappa):** A similar motion was brought forward in the U.P. Assembly by Mr. Gainda Singh, the Leader of the Opposition there.

**Mr. Speaker:** When was it brought?



**Shri M. V. Krishnappa:** It was on the 17th of this month. The Chief Minister of U.P. stated that the relief measures taken in Eastern Uttar Pradesh were adequate, and there was enough of foodgrains supplied by the Central Government. Thousands of fair-price shops had been opened, and wheat was being sold at Rs. 13. That was the cheapest price at which wheat was available there.

Regarding the exodus of people from these districts, the Chief Minister had stated that even in normal times, the people from the eastern districts of Uttar Pradesh, like Gorakhpur, Basti and Deoria used to go to the neighbouring districts of the eastern States to get harvesting jobs, and then they used to come back. These areas were thickly populated, and during harvest time, they used to go to the neighbouring districts and get some employment, and then they used to come back.

It has been stated by the Chief Minister that the measures taken are adequate, and there is nothing like people going out from those districts because of starvation or unemployment there.

On our part, we have sent a circular to all the State Governments that they need not wait for help from us to take relief measures, because in some cases it may be very urgent. So, we have stated that they can spend any amount, and that the Central Government would be prepared to meet 50 per cent. of the expenditure up to Rs. 2 crores and 75 per cent. above Rs. 2 crores. So, it has been stated in the U.P. Assembly that things are all right there.

In September, we had given them 16,000 tons of wheat, in October 25,000

[Shri M. V. Krishnappa]

tons, and in November 33,000 tons. For this month, we have allotted them double the quantity in November, that is, 66,000 tons, and we are running a special train by which wheat is being moved to these districts.

**श्री रा० न० सिंह** (जिला गाजीपुर-पूर्व व जिला बलिया-दक्षिण-पश्चिम) : अध्यक्ष महोदय, मैं यह बतलाना चाहता हूं कि देवरिया, गाजीपुर, आजमगढ़, बस्ती आदि से हजारों की संख्या में लोग बंगाल, आसाम आदि की तरफ मजदूरी करने के लिये जा रहे हैं और यदि इन को राहत न पहुंचाई गई तो इस का चुनावों के ऊपर बहुत बुरा असर पड़ेगा । मार्च में..... (*Interruptions*).

**Mr. Speaker:** The hon. Member wants those persons who normally go away during the harvest season in search of employment, on account of the thickness of population in that particular area to come back. Of course, hon. Members who are going to stand for election must induce them to come back and vote. Now, I am not saying that they must give any better inducement than the inducement of employment. Anyhow, these are all inevitable. The rest of the people will choose, and whoever secure a majority from among the rest will be the best men.

In view of the statement, I find that this is a matter which is essentially the concern of the State Government. The State Governments are used as agents for the Central Government only in those cases where the subject exclusively belongs to the Centre. But this is a State subject. The Central Government have done their best. Even in advance, they have said that expenditure may be incurred up to any amount, and that up to a limit of Rs. 2 crores, they will contribute 50 per cent. of the expenditure, and over and above Rs. 2 crores, they will contribute 75 per cent. So far as the actual management of the affair is concerned, such as the opening of relief shops, giving inducements to these people to stay there and not to go in search of employment to other places etc., these are all entirely in the hands of the State Government.

Only recently, on the 17th of December, there was a debate in which there was a reference to this matter in the U.P. Assembly, and the Chief Minister of that State explained the position at length. In spite of that debate, he has not written to the Central Government that very bad conditions prevail there, and that unless the Central Government come to their aid with a larger degree of co-operation, they cannot tide over the difficulty.

This ought to be a forum which is used for those purposes only when all other remedies are exhausted and the State Government think that they can no longer continue in office.

I cannot allow this adjournment motion.

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## PAPERS LAID ON THE TABLE

### STATEMENTS SHOWING ACTION TAKEN BY GOVERNMENT ON ASSURANCES ETC.

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to lay on the Table the following statements showing the action taken by the Government on various assurances, promises and undertakings given by the Ministers during the various Sessions shown against each:

(1) First Statement, Fourteenth Session, 1956, of Lok Sabha. [*See* Appendix V, annexure No. 121]

(2) Supplementary Statement No. VII, Thirteenth Session, 1956 of Lok Sabha. [*See* Appendix V, annexure No. 122]

(3) Supplementary Statement No. XIII, Twelfth Session, 1956 of Lok Sabha. [*See* Appendix V, annexure No. 123]

(4) Supplementary Statement No. XV, Eleventh Session, 1955 of Lok Sabha. [*See* Appendix V, annexure No. 124]

(5) Supplementary Statement No. XVIII, Tenth Session, 1955 of Lok Sabha. [*See* Appendix V, annexure No. 125]

(6) Supplementary Statement No. XXIV, Ninth Session, 1955 of Lok Sabha. [*See* Appendix V, annexure No. 126]

(7) Supplementary Statement No. XXVII, Eighth Session, 1954 of Lok Sabha. [*See* Appendix V, annexure No. 127]

PRINCIPAL AND SUPPLEMENTAL AGREEMENTS BETWEEN GOVERNOR OF RAJASTHAN AND RESERVE BANK OF INDIA

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha):** I beg to lay on the Table, under sub-section (2) of section 21A of the Reserve Bank of India Act, 1934, a copy of each of the Principal and Supplemental Agreements between the Governor of Rajasthan and the Reserve Bank of India. [*See* Appendix V, annexure No. 128]

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## MESSAGES FROM RAJYA SABHA

**Secretary:** Sir, I have to report the following messages received from the Secretary of Rajya Sabha:

(i) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th December, 1956, agreed without any amendment to the Employees' Provident Funds (Amendment) Bill, 1956, which was passed by the Lok Sabha at its sitting held on the 8th December, 1956."

(ii) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th December, 1956 agreed without any amendment to the Electricity (Supply) Amendment Bill, 1956, which was passed by the Lok Sabha at its sitting held on the 11th December, 1956."

## ARIYALUR TRAIN DISASTER

TELEGRAM RECEIVED BY SHRI KAMATH LAID ON THE TABLE

**Shri Kamath** (Hoshangabad): Before you proceed to other business, may I make one earnest submission to you for your close consideration? The other day, Shri Alagesan made a statement on the Ariyalur train disaster; and I told you and the House that I had mislaid Mr. Govindan's letter. It was unfortunate, and I felt pained at it, that some of my colleagues were chuckling rather sceptically at the time. Yesterday afternoon, I got a telegram from Mr. Govindan, and I shall pass it on you for your consideration, and I also lay it on the Table of the House [*See* Appendix V, annexure No. 129]

The telegram reads as folows:

"REGRET YOU MISLAID MY LETTER PLEASE PRESS GOVERNMENT TO ORDER ENQUIRY INTO BURNING OF BODIES AND BURNING OF LADIES COMPARTMENT IN ARIYALUR DISASTER I AM PREPARED TO GIVE EVIDENCE LETTER FOLLOWS"

And it is signed by Mr. R. Govindan.

**Mr. Speaker:** The hon. Member must have waited till the letter had followed.

**Shri Kamath:** Tomorrow is the last day of this session.

Shri Alagesan made a very unfair charge against me that I had tried to seek political advantage out of that. There was nothing of that kind. He did not even consult me before. Under the rules, I believe, even you might have suggested to me that he was going to make a statement, and that I could say something if I wanted.

**Mr. Speaker:** The hon. Member was present here. Otherwise, he would have been sent for. Since he was present here, there was no need to send for him.

**Shri Kamath:** Before a statement like that is made, I think under the rules or conventions the other Members concerned are always informed that the statement is going to be made.

**Mr. Speaker:** True. But the hon. Member was present here. Otherwise, I would have passed on the information to him.

**Shrimati Renu Chakravartty** (Basirhat): Prior intimation is given. I remember once before it had happened, and Shri H. N. Mukerjee was informed beforehand.

**Mr. Speaker:** That telegram may be filed.

**Shri Kamath:** When the letter comes, I shall pass it on to you.

**Shri H. N. Mukerjee** (Calcutta North-East): On this matter of prior notice, I would like to submit to you one thing, and it is this that the Minister came forward suggesting that steps be taken on a question of privilege against the particular Member, and naturally, the press gave a great deal of publicity to it. At the moment, I, for one, did not know that Shri Kamath did not have prior intimation. If he had prior intimation, he might have told the Minister certain things which would have prevented our bruiting in the House certain matters which should not be mentioned in the House before certain preliminaries are completed.

I look up to you as the custodian of our rights, and particularly of the Opposition who are so easily sneered at by certain elements on the other side, I look up to you to safeguard our position. I did not happen to know that Shri Kamath did not have prior intimation. But I feel that it is for you to uphold our rights and privileges as far as this kind of serious charge and counter-charge is concerned.

**Mr. Speaker:** I fully appreciate the observations made by Shri H. N. Mukerjee. I have been repeatedly telling hon. Members here that before any hon. Member makes any such serious charge against any Ministry or department of the Government, he should also give intimation to the other side, to the Minister, so that he may come prepared and try to answer and to remove any difficulty in advance.

**Shri Kamath:** He said it was a breach of privilege.

**Mr. Speaker:** Whether it is a breach of privilege or not, this is a serious allegation that people are set fire to in compartment and so on and so forth. I have repeatedly suggested to hon. Members that with respect to any particular and serious charge like this, the matter may be communicated to the Minister concerned. After all, the Ministers are not miles away, and whatever differences there were could have been removed. That was not done in this case.

Of course, so far as this is concerned, when a proper motion comes in, I just ask the other side. It is not as if I do not communicate. Therefore, I have the least objection to follow this practice. Whichever hon. Member wants to make a serious charge against Government with respect to any particular matter, regarding which they have to be forewarned, may write to the Government and give them an opportunity to place their case before the House. I say this because whatever statement is made here is given currency in newspapers, and even though it may be explained later, the damage is already done. Therefore, this is an advice not only to the Government but also to the other side.

**Shrimati Renu Chakravartty** *rose*—

**Mr. Speaker:** Let the hon. lady Member be a little more patient.

Therefore, whenever serious allegations are made, I will certainly insist upon hon. Members informing the other side beforehand, and if still it is not cleared, then make the statement. I shall certainly observe this

rule, but it will be applicable to both sides.

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** Two-way traffic.

**Shri A. K. Gopalan** (Cannanore): When we speak on Bills and other things, certain references may have to be made. According to your ruling, we will have to inform the other side about the charges beforehand. How can we write to them beforehand?

**Mr. Speaker:** The hon. Member comes prepared with a letter written by somebody and then on the strength of that letter, makes certain charges. It is not something said casually in the course of the debate. When such a serious charge is made in respect of a particular matter and with respect to which the hon. Minister must come prepared, what is the harm in passing it on beforehand?

**Shri H. N. Mukerjee:** May I clarify the position? The documents which Shri Kamath referred to were received by me also but without a covering letter. Those documents were printed, and referred to certain proceedings which were reported in a particular South Indian newspaper. Now, when we refer to that kind of document, we do not vouch for the accuracy of that particular allegation, but we merely want that Government should have its notice drawn to it. We do not make an aspersion on the *bona fides* of Government.

**Mr. Speaker:** The misfortune is that the hon. Member was not here then. If Shri Kamath had merely said, 'I find from a report in a newspaper about certain proceedings wherein one person, Shri Govindan, who seems to have been an eye-witness said such and such thing', that would have been another matter. But he said, 'I have received from one Shri Govindan a letter'.

**Shri Kamath:** There was a letter to me.

**Mr. Speaker:** The hon. Member, Shri H. N. Mukerjee, does not know the full facts. He says, 'Just one fine morning, we find something in some newspaper. What is the harm in referring to it?' I have no objection. But here the case is different. Shri Kamath said that he had received a letter from Shri Govindan containing serious allegations. He should have given previous intimation before he made this allegation. Everyday we hear of so many reports. There is no harm in referring to them. But this is a peculiar case where an hon. Member said that he received a letter, and the other side said, 'Show me the letter', whereupon Shri Kamath said that he lost the letter, and I accepted his word.

When he merely based it on a newspaper report, the hon. Minister wanted to say that it was a breach of privilege of the House.

Under these circumstances, let this be the rule for each side. Each side has to inform the other side in future whenever a serious charge is levelled, so that the other side may come equally prepared to answer the charge or plaint.

**Shri Kamath:** May I have a clarification? Your ruling is an important and helpful ruling. But may I ask a question? Suppose we get a document on a certain subject in the morning. If it has to be passed on to the Minister, he will take time to go into it. Then what shall we do with that? What is the position?

**Mr. Speaker:** Even if he had not investigated it, the hon. Minister could say: 'I did not have time to look into it. Therefore, I seek the indulgence of the Chair to put it off for my explanation'. He could always make that statement, in which case Shri Kamath could easily say, 'I showed it earlier to him. There have been two hours. He could have got the information on the trunk telephone'. The Minister will be in a worse position than this if he had not been informed at all about it earlier.

[Mr. Speaker]

Under these circumstances, let us stop any further discussion on this matter.

**Shri Thanu Pillai** (Tirunelveli): I rise to ask on the question which was discussed now.....

**Mr. Speaker:** That has been finished. We cannot go into it again. The hon. Member is not concerned with it now.

**Shri Thanu Pillai:** No, Sir. I am vitally concerned, because I come from that State.

**Mr. Speaker:** He did not take part in the discussion earlier.

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## ESTIMATES COMMITTEE

### THIRTY-FIFTH TO THIRTY-SEVENTH AND FORTIETH REPORTS

**श्री ब० गो० महता** (गोहिलवाड़) : अध्यक्ष महोदय, मैं प्राक्कलन समिति की निम्नलिखित रिपोर्ट पेश करता हूं :

(१) समिति की पहली, दूसरी और तीसरी रिपोर्टों में दी गई सिफारिशों पर सरकार द्वारा की गई कार्यवाही के सम्बन्ध में पैंतीसवीं, छत्तीसवीं और सैंतीसवीं रिपोर्ट और

(२) सामुदायिक विकास मंत्रालय (सामुदायिक परियोजना प्रशासन) के सम्बन्ध में चालीसवीं रिपोर्ट—भाग २ ।

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## BUSINESS OF THE HOUSE

**The Minister in the Ministry of Home Affairs (Shri Datar):** May I make a special Motion? There is one Bill which has not been placed on today's agenda, but which is a matter of considerable importance. It is the Foreigners (Laws) Amendment Bill. If you would agree, it may be taken up after the main business of today is over.

**Mr. Speaker:** If we find the time.

**Some Hon. Members:** Tomorrow.

**Mr. Speaker:** I believe one hour has been allotted for it.

**Shri Datar:** Yes.

**Mr. Speaker:** That will be the minimum for any Bill that is taken notice of by the Committee. But today we have got non-official business also.

**Shri Datar:** That is at 16·30 hours.

**Mr. Speaker:** If we finish the Banking Companies (Amendment) Bill earlier, we can devote whatever time is left to that.

**Some Hon. Members:** It must stand over.

**Shrimati Renu Chakravartty** (Basirhat): The Minister of Parliamentary Affairs is here. We in the Business Advisory Committee have been asking him day after day to tell us what is the priority. He said, 'That is none of your business'. It is our business. We come prepared to discuss what we see in the agenda paper. But we cannot immediately and suddenly come prepared to discuss a Bill that has not been on the agenda. We can discuss it tomorrow; I do not think we should be asked to consider it today.

**Mr. Speaker:** Very well.

**Shri Kamath** (Hoshangabad): On a point of order with regard to the order paper. You will be pleased to see that the U.P.S.C. Report had been fixed for discussion today, but it has been postponed to tomorrow, the last day of this session. This is an important matter and I would request you to so arrange the business, or ask the Minister to do it, that this Report is taken up earlier, as the penultimate item. Then the House may sit as long as may be necessary to dispose of the Press Council Bill. That will be much better.

**Some Hon. Members:** Yes.

**Mr. Speaker:** I will consider it. I requested Secretary to inform Shri Kamath that today it will be at the fag end. After 16.30 hours, we have 2½ hours for non-official business. Originally, it was to be discussed after 19.00 hours till 20.00 hours. So we put it off till tomorrow. But Shri Kamath might have mentioned this to me when I adjourned it to tomorrow.

**Shri Kamath:** I only urge that it should be the penultimate item of tomorrow, if that is acceptable to my hon. colleagues.

**Mr. Speaker:** We shall consider.

**Some Hon. Members:** There is no objection.

**Shri Kamath:** They do not object.

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## LEAVE OF ABSENCE

**Mr. Speaker:** So far as leave of absence of Rt. Rev. John Richardson is concerned, we held over consideration till today. Now I want to place this matter before the House.

In their Nineteenth Report, the Committee on Absence of Members from the Sittings of the House recommended leave of absence to certain Members, including Rt. Rev. John Richardson. The consideration of the case of Shri Richardson was held over as certain objections were raised in the House.

The facts of the case are that Shri Richardson has so far been granted leave of absence for 393 days from time to time on various grounds, for example, illness of wife and family circumstances, transport difficulties and pressure of work in the Diocese.

He has actually been present in the House for 361 days. He attended the last session of the House from 14th August 1956 to 13th September 1956, that is, up to the last day of the session.

Article 101(4) of the Constitution provides that if for a period of sixty days a Member of either House of Parliament is without permission of the House absent from all meetings thereof, the House may declare his seat vacant.

His present application for leave of absence relates to the whole period of the current session amounting to 99 days.

In his application for leave of absence, Shri Richardson mentioned as follows:

> "Under the Community Project our islanders had built a wooden bridge over a river. It was washed away by a flood of heavy rain in the months of August and September, 1953. Again another attempt was made in 1954 and it met the same fate and on the same months.
>
> Materials are now collected and also cement has been imported for the construction of a *pucca* bridge with concrete supports and span with iron. Our people have very little knowledge of masonry, hence my presence is badly needed to supervise the construction. The work is to commence now or else the cement will be spoiled by the damp climate of the place. The bridge is very important to connect the villages on the west of the island which are cut away from the only one hospital situated 15 miles away on the east coast.
>
> I therefore beg to House to excuse my absence this session."

While recommending leave to the Member, the Committee observed that the Member may be informed that work in Community Project in the constituency of the Member was not a sufficiently valid ground for asking leave for the entire period of the session. The relevant minutes of the sitting of the Committee containing these observations were also laid on the Table on 19th December 1956

The views of the Committee will be communicated to the Member in due course.

[Mr. Speaker]

Having regard to all the circumstances of the case, I take it that the House agrees with the recommendation of the Committee that leave be granted to Rt. Rev. John Richardson.

He was absent not in the previous session. Even if he would be absent for the entire session now, it will only be 39 days, and therefore about 21 days will be remaining in the next session, which may last for four or five days, I think. If perchance, he absents himself for the next session, what will happen to him? Even if he loses his seat, he can stand for the next election.

**Shri Kamath** (Hoshangabad): He is nominated.

**Mr. Speaker:** Yes, he can be nominated. Let us consider this point. These are islands from which it is difficult for people to come. There may be no other suitable person there who is available for our purpose. These are all the difficulties. Until a choice is made between allowing these islands to go without representation, nominated or not nominated, and allowing this gentleman to come as and when it is possible for him to do so, I do not think the House will be hard upon this hon. Member.

**Shri K. K. Basu** (Diamond Harbour): As you said, there are difficulties, and from the statistics given, he has been absent for more than 50 per cent. of the sittings of the House. At least the Government will so advise the President that in the matter of selection of a person from those islands, a younger man who is free from all those other difficulties and who will be able to attend the House should be chosen. These difficulties of transport etc. are there, and how can you change the topographic character of the islands? If a person is absent for more than 50 per cent of the sittings, what is the point of having such representation?

**Shri Punnoose** (Alleppey): Once he applied for leave because he had to discharge the duties as a priest and now he seems to be having engineering preoccupations. Andamans is really under the Government of India, who can supply the necessary help and relieve this gentleman so that he may attend the House. Anyway, a deputation was here a few months back from Andamans and I hope they interviewed the Minister also. They were complaining that their demands were not looked into favourably by this House. Therefore, we may grant this application now, but something must be done in the matter.

**Shri K.K. Basu:** They should have real representation.

**Shri Punnoose:** This gentleman's excuse is sometimes spiritual and at other times material.

**Dr. Rama Rao** (Kakinada): If we refuse leave now, it will not affect him materially in any way. But this hon. House must set a standard for granting leave. That cement will be spoiled or something else will be spoiled is not sufficient justification for his continued absence, particularly from an area, which is not otherwise represented here. Without materially affecting or harming him in any way, we must maintain the dignity of this House by refusing his leave.

**Shri Mathew** (Kottayam): Now this question does not arise because he is absent only for 39 days at a stretch. Therefore, I fail to see how the whole question of cement or spoiling of cement and other things are relevant, and how all those points raised by my good friends of the Communist Party are relevant to the present issue. There is no need now to raise the question of grant of leave.

**Shri Punnoose:** There is no question of communism here. It is a question of leave being asked for, and even if it be for one day, we can have our say in the matter. That is why it came to us.

**An Hon. Member:** That is a professorial dissertation.

**Shri Barrow** (Nominated-Anglo-Indians): I would like to say this. All Members of this House have the opportunity of going to their constituencies and coming back without anybody being aware of it because they have the transport facilities, but this particular Member does not have those facilities and, therefore, he is taking part in this project in all good faith, and being honest he has applied to the House in good faith for this leave. Any attempt on our part to make insinuations on him does not, I think, savour of good manners or grace. Considering the peculiar circumstances of his case, had he not said anything, the 39 days absence now would not have affected his position. But because of the transport difficulties he is not able to come and go and he has applied for leave in all good faith. He does not want to flout the authority of the House. In fact, he is coming to this House for permission, and I would request the House to grant permission.

**Shri Raghavachari** (Penukonda): *rose—*

**Mr. Speaker:** Enough has been said. I would request Shri Raghavachari to sit down. Let us proceed with the other work. What I would urge upon the hon. Minister is that in case they are able to get another suitable person for the next nomination, they will do so. But if a suitable person is not available—suppose one is available who will be able to attend only 25 per cent of the sittings—you would prefer the man who is able to be here for 50 per cent of the days. In that case, the same man may continue, because that is a choice between persons who are not available here. I think that the general sense of the House is to grant this leave.

*Leave was granted.*

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## BANKING COMPANIES (AMENDMENT) BILL—*concld.*

**Mr. Speaker:** The House will now resume further consideration of the following motion moved by Shri T. T. Krishnamachari on the 20th December 1956:

> "That the Bill further to amend the Banking Companies Act, 1949, be taken into consideration."

Out of the total time allotted of 5 hours, there is a balance of 3 hours and 58 minutes. Now it is 12-30 and so this Bill should conclude by 4-30—all stages of the Bill. Were any arrangements made regarding the stages?

**Shri N. R. Muniswamy** (Wandiwash): 3½ hours for the first stage.

**Mr. Speaker:** One hour is already over, that is, yesterday, and we have 2½ hours left for the consideration stage, that is, at 3 o'clock the consideration stage will be over. How much time will the hon. Minister require?

**The Minister of Revenue and Defence Expenditure (Shri A. C. Guha):** Half an hour or 40 minutes.

**Mr. Speaker:** Let him have just half an hour. I will call the hon. Minister at 2-30 P.M. to reply to the debate. The consideration stage should be over at 3 P.M. and the whole Bill must be disposed of at 4-30 P.M.

Shri Moitra, who was on his legs, might now continue his speech.

**Shri M. K. Moitra** (Calcutta North-West): Mr. Speaker, Sir, when the discussion had closed yesterday.....

**Shri C. R. Iyyunni** (Trichur): I request that time may be allotted for each speaker; otherwise, there are people who are interested in this matter and they cannot get a chance to speak.

**Mr. Speaker:** 10 to 15 minutes for any ordinary Member. The group leader will have 20 minutes.

**Shri Tulsidas** (Mehsana West): I think 15 minutes will suit.

**Shri M. K. Moitra:** Sir, when the discussion adjourned yesterday, I was developing the point that out of the funds at the disposal of the banking Companies only 2 per cent. is advanced for agriculture while 49 per cent. is spent on commerce and 35 per cent. on industries. You can very well understand that India is an agricultural country and these banks from which help is required for developing agriculture advances only 2 per cent. of their credit for that purpose. From this one can conclude how the banks are interested in developing agriculture which is the mainstay of the people.

I shall now refer to the 35 per cent. of investments on industries. You will see that big industrial houses have set up their own banks and in these banks, they draw deposits at lower interests. They also utilize these credit facilities at lower interests for developing their own industries.

12.32 hrs.

[SHRI BARMAN *in the Chair*]

I may here mention that the bigger banks in our country are associated with big industrial houses—I should say 'industrial families'. The United Commercial Bank is linked with the Birla group, the Central Bank and the Bank of India with the Tatas, the Punjab National Bank with the Dalmias and Jains, the Hindustan Commercial Bank with the Singhanias, the Indian Bank with the Chettiars, the Hindusthan Mercantile Bank with the Jalans, the Hind Bank with the Goenkas and so on and so forth. Thus the banker-*cum*-industrialist becomes assured of two-end profits in return for the "public service" he renders and the "depositors interests" he looks after.

This Bill proposes to clothe the Government with certain powers, so that some of the evils that have crept in the banking business may be removed. But everything depends on how the law is administered and not on how the law is framed. Everyone knows that the Government have a soft corner in their hearts for these big industrial houses, and there is a feeling in this country that in the administration of this law the same soft feeling will repeat itself.

The Bill proposes to reduce the salaries of men at the top. A top man in the banking industry, now generally draws about Rs. 1,50,000 per year, besides various other amenities. Of the entire staff in the banking business about 5 per cent. at the top absorb nearly 30 per cent. of the total of the establishment charges, while the remaining 95 per cent. are left with the residue. The Government wants to stop this, and therefore, they like to have power in their hands, but what is the provision they have made? I refer to clause 2 of this Bill. In clause 2 they have made cumbersome efforts to reduce the salaries of these top men. What is more curious is the fact that they have added an explanation, where there is a loop-hole through which every effort to reduce the remunerations and emoluments will prove futile. I here refer to the explanation given in page 2 which reads as follows:

> "For the purpose of sub-clause (iii) of clause (b), the expression "remuneration", in relation to a person employed or continued in employment, shall include salary, fees and perquisites but shall not include any allowances or other amounts paid to him for the purpose of reimbursing him in respect of the expenses actually incurred by him in the performance of his duties."

What is this? On the one hand, you want to restrict the remunerations and the overpayments to these top men, and on the other hand, you create a loop-hole through which these

extra remunerations can be drawn by these top men. This is a lacuna in the law which will be taken advantage of by these people. (*Interruption*). Allowances can be drawn in various ways. I have experience of striking the balance-sheets and I know how skilfully they are shown in them. Government have made certain provisions for getting information about the working of banks. The Government will fail, because these provisions of law have been made in such a way that they will prove insufficient for extracting the information required.

I am referring to secret reserves which the banks possess and I will not make any sweeping generalizations. I will quote from the Labour Appellate Tribunal. What they say in paragraphs 82 and 83 of their judgment is as follows:

> "There are two circumstances which militate against our securing proper insight into the financial state of the banks. We refer in particular to (a) the undisclosed or secret reserves and (b) to the manner in which it is permissible in law for a banking company to exhibit its balance sheet", the existence of such secret reserves which have not been disclosed prevents us from gathering full picture of the financial position of a bank. The Bank of India in one year transferred a sum of Rs. fifty lakhs from undisclosed reserves to the general fund—quite a sizeable amount which makes us wonder how much more of such undisclosed reserves the Bank of India had, and also as to the volume of undisclosed reserves which other banks individually have been able to create, factors, which are material in assessing the capacity of the banks to pay the proper level of wages to its employees."

> "The other difficulty with which we are confronted at the outset is the manner in which a bank is permitted to present its profit and loss account.... The income side is read 'income (less provision made during the year for bad and doubtful debts and other usual and necessary provisions)' .... Bad and doubtful debts are understandable; but the 'other usual and necessary provisions' which banks are now permitted to deduct before showing their net income removes from our scrutiny a portion of profit which might have a material bearing on the issue of the capacity of a concern to bear a particular wage structure,"

> "and it is manifest that no endeavour would be successful to ascertain the true financial position of a bank unless the profits are disclosed before the other usual or necessary provisions are deducted."

It is a remark made not by a member of the Opposition like me but by eminent Judges who were appointed by this Government to constitute the Labour Appellate Tribunal.

The Government proposes to appoint some observers. Will they be able to extract the information required from the banks? We know that the employees of the Reserve Bank are not, like Caesar's wife, above board or criticism. In Calcutta while there was a run on the Lakshmi Industrial Bank you probably know what happened. The Reserve Bank refused to make any advances against the gold deposits it had with the Reserve Bank. The newspapers of Calcutta severely commented on this action of the Reserve Bank of India. They went so far as to say that this step was taken by the Reserve Bank of India to help the Punjab National Bank. That was the opinion of the press.

I know that the friends of the banking magnates will come froward in this House and say that no paper should be laid before these observers because the business secrets of the banks

[Shri M. K. Moitra]

will come out. Even the *Commerce* of the 15th December has made the suggestion that by this law the business secrets of the banking companies will be out. We want to know these secrets and the Appellate Tribunal set up by the Government wanted to know them because they wanted to know the capacity of the bank to make certain expenditure. They do not know what the actual financial position of the bank is and whether the balance sheet has really been window-dressed or not.

So, I will say that nationalisation alone can check and remove all the evils that have crept into the banking business. This Bill, I must say, has been prepared to circumvent that nationalisation. I have read with great interest the criticism that has been made by the Banking Federation's Chairman, Shri Bhabha, who says that this is a measure to introduce nationalisation by back door. I will say that this is a Bill to circumvent nationalisation. People have been crying for nationalisation. The employees have been crying for nationalisation. Nationalisation alone can drive out the evils. To confuse the people, the Government have come out with this Bill. People asked for bread and the Government have come with stones instead.

**Shri Bhagwat Jha Azad** (Purnea *cum* Santal Parganas): I support wholeheartedly the provisions of this Bill though I am not satisfied with this limited measure. The earlier banking is nationalised, the better for the country. Yet, I feel that these provisions will go a long way to curb the regrettable and undesirable actions done by the banking companies to sabotage our Second Plan. I need not go into the details of the provisions in this Bill but I will certainly state the facts to justify why these changes and amendments are necessary. The banking companies should themselves agree to these provisions. They are so harmless. If I say that there should not be excess remuneration, they will stand and say: "We do not want excess remuneration." Then, where is the objection if it is said that there should be no excess remuneraton?

Then, it is said that a person cannot be a director if he is director of other companies which together can exercise voting rights in excess of twenty per cent. of voting rights in the banking company. If I am a lord, I can take things in my hand and do certain things. There is a banking company which announces a capital of Rs. 4 crores. You are a director of that banking company and if you are having so mary concerns, immediately it can be subscribed. Then, you can say: "Look here, how sound is the position of the bank." Therefore, I think that they should accept the povisions of this Bill in their own interest.

There is no harm in saying that the Reserve Bank would give directions from time to time. The Reserve Bank has been accepted in this country as a specialised institution which has got the highest knowledge regarding banking. The banking companies in the country should not in any way be apprehensive of the directions of the Reserve Bank if they are correct in their dealings and if what they say is true and if their actions are in the public interest. But, if their dealings are not clean and if their statements are not correct, and it seems they are not clean and not correct—why should they raise a hue and cry in this House as well as outside that the provisions here are very wide and so on? The provisions are in the best interest of the public of this country in the context of the socialist pattern of society that we want to have in this country.

My friend, Shri Thomas, wanted to refer the matter to the Select Committee. He has the best of motives. But, his suggestion will defeat the purpose of this Bill because we are now going before the electors for our examination. There will perhaps be

hardly a fortnight in coming March when there will only be vote on account. Then, there will be a session in May. So, there will be some five or six months and the Bill will serve no purpose unless it is passed here and now. By that time our friends who know the ways to manoeuvre would put their entire money in unproductive channels and post themselves as directors and take loans on four per cent. or 4·5 per cent. They will completely upset the equilibrium if they know that these provisions will come into effect after five months. The remuneration may go up by five hundred per cent. So, it should not be referred to a Select Committee. It should be passed here and now.

We should not go into the details about the activities of these companies. Nonetheless, we must say that the certificate given by the public to these banking institutions is not a bright one nor is it an efficiency certificate. The number of depositors represent one per cent. of the total number of insurers in the country. We want that the directors or the manager should be appointed according to the wish of the Reserve Bank. We want it because in the past these people had the least care for the interest of the country. I will give only one instance. Are they opening their offices in the distant parts of the country to attract small customers? Do they care to see that the development is carried on in this country and the First Plan works out successfully? They have shut their eyes to the Second Plan. They have only one motive: as much remuneration as possible. Their attitude is: give loan to your friends and relations and other companies and make as much profit as possible. If Shri T. T. Krishnamachari wants more powers, I am prepared to cast my lot with him and the Government. I can bring him to book in this House rather than my other friends whose only motive is personal interest. The interest of the Government is the public interest. If Shri Krishnamachari wants more powers we are prepared to give them to him; but let him not complain later that he has the powers but could not bring these friends to book. Once you have the powers you must deal with them strictly. You must have a heart as soft as a rose for the public, but so far as these people are concerned you must be as strong as steel, if you want to check the undesirable manoeuvres of these banking institutions.

Let us now examine the progress of banking in our country. In 1947 there were 4,819 offices of these banks. In 1954 they had come down to 4,041. That means within seven years 800 offices were closed. These 4,041 offices are concentrated in 1,003 places: 40 per cent. of the offices are in 64 places. Does this not indicate the gross negligence and the inefficiency of these companies which are run by certain persons in their own interest? The concentration of these offices and the manner in which their business is conducted go to show that they do not want to help the country, but to help themselves.

We know that the commercial banks of this country have failed to reach the small customers, with a view to tapping the resources of the common man. The banking institutions have completely failed to cooperate with the Government to implement the Five Year Plans. They do not help the Government; they do not help the country. My deeper regret is that they have absolutely no plan to canalise the resources of the country for the implementation of the Second Five Year Plan. They have not given us any picture as to how they are going to tap the resources of the country. (*Interruption*) My hon. friend laughs. I would like to have a straight answer from him as to how the banking institutions of this country are going to help the Government for the public good, for the implementation of the socialist pattern of society. I do not wish on this occasion to quote the voluminous figures in my

[Shri Bhagwat Jha Azad]

possession of their bad deeds and misdeeds which go to show that dozens of them are linked like a chain to take every drop of the resources to be invested for their purely personal interest. That has been admitted on the floor of the House. I have very often given details of their nice dealings?

What programme have the banking institutions got for the next five year? Can they at least tell the Government: we are prepared to remove our defects; we are prepared to go ahead for canalising the resources of the country with a view to raising the standard of living of the common man and achieving the socialist pattern of society. It is a well known fact that the banking institutions in our country suffer firstly on account of their discourteous service. They have no trained personnel and carry on with outmoded methods of banking. We would have been glad if at least there is an attempt to improve. But they would not do it.

Since independence the economic and political structure of the country is undergoing revolutionary changes. The Government of India is committed to the progressive distribution of wealth and income to the different strata of society. The multi-purpose schemes which have been implemented have brought about prosperity in the rural areas. Schemes like Bhakra and Mayurakshi have brought new life to rural areas. But not one banking company has cared to mop up these resources for the Plan. They have continued to concentrate their efforts in big towns and cities. They have not cared to go to the villages where resources are available, where people are prepared to contribute to Govenment to make the Five Year Plan a success. So, I would like to emphasise that the banking institutions have failed completely in their purpose. They have not given any help to Government to implement the Five Year Plan, the underlying idea of which is the achievement of the socialist pattern of society. On the other hand the banking companies have been run for personal ends. A director of a Bank in Kanpur gets almost 50 lakhs at a low per cent. of the loan given by a Delhi bank; the Director of the Delhi bank reciprocates. I will not name them. The loans are given at very low rates of interest. On account of competition in deposits there small banks have to raise their rates of interest. These big giants compete with these small banks for deposits. This naturally leads to the upsetting of the economic equilibrium. It is, therefore, high time that we took strong measures to curb their shameful dealings, to curb their desire for personal profits and to curb their manoeuvrings.

**12.54 hrs.**

[MR. SPEAKER *in the Chair*]

These friends ask: "Look, what can we do?" They fought with the poor clerks. They were not prepared to part with a pie for these clerks; but for themselves they have hundred and one allowances, as was pointed out by my hon. friend Shri Moitra just now. All that the Reserve Bank will see is that they are not paid any excessive remuneration. It only says: "Look here, I am here, if you need my advice, I shall send you directions for your administration." Why should they grudge? The Reserve Bank will depute an officer to attend the meeting of a bank. Why should they grudge it? If their hands are clean; if their dealings are pure, if their intentions are above board, why should they be apprehensive of these powers? They are apprehensive of these powers because up till now neither their dealings nor their motive, nor their intention has been clean. They have always been directed to one interest and that interest is the private sector. I would not say I do not want the private sector. Even in that sector there are several persons who have not the privilege of having the direction of banking institutions. Why, are not the whole of the private sector entitled to have loans from these

banking companies at reasonable rates of interest? But a dozen of these friends manage the entire show and have lion's share of the loans.

Therefore I say we are prepared to give all the power that Shri T. T. Krishnamachari wants. But I warn him: once you get these powers you must remove all the undesirable features of these banking institutions and see that they are run for mopping up the resources for the implementation of the socialist pattern of society. By the time the next Parliament meets, they should hear a better account of the working of these banks.

You must have a heart as soft as a rose for the public, but you must have a mind as strong as steel for these friends and we are prepared to make your hands as elastic and powerful as you want it to be.

I support the provisions of this Bill.

**13 hrs.**

**Shri Tulsidas:** Sir, I need hardly stress the importance of this Bill which seeks to give drastic powers to the Reserve Bank and the Government in relation to the banking institutions in this country. This Bill was introduced in this House only a few days back, as you know, and we are called upon to pass it at one stroke within a few hours. During the course of the discussion on the Finance Bill last week, I had pointed out to you, Sir, the alarming trend towards hasty legislation which has become an everyday feature in this country. You will remember that I have been opposing this dangerous tendency on the part of the Government, of bringing before the House in hasty manner important legislation which undoubtedly affects the various aspects of economic life of the country, particularly in the functioning of the non-government or the people's sector. I am sorry that the Finance Minister failed to appreciate my point of view and plea for reference to Select Committee of the Finance Bill which had inevitably introduced far-reaching changes in permanent statutes like the Income-tax Act and other Acts. And the present Bill, as I said earlier, introduces far-reaching changes in the structure and working of the banking institutions in this country. It will be in the fitness of things if such a Bill is referred to Select Committee, which alone can go through the intricate details of this matter. My friend Mr. Thomas has already pointed out the importance of referring this Bill to Select Committee, and I am really surprised that my hon. friend Shri Krishnamachari is not willing to accept that position. The other day he mentioned in a debate that I am one of the super-democrats. I would rather like to have that charge as being a superdemocrat, than that I am changing or tending towards totalitarianism! I fail to understand why he does not prefer to send this Bill to a Select Committee. That is a very healthy practice. After all, you know that most of the measures that we have enacted have first been referred to Select Committees where a number of changes have been made, after looking into the pros and cons of the various measures that the Government brought forward.

I am not here to defend anybody, but I would like to point out how the banking industry in this country has developed and how it has come up. I am afraid the House and the Members here do not appreciate the importance of this industry and how it has been brought up to its present level within a short time.

Before independence most of the banking was in the hands of foreign banks; most of the business was in foreign banks. The Indian commercial banks today possess nearly 80 per cent. of the total banking deposits of the country. Of the total advances required for financing the nation's economy, 73 per cent. have been made available by the Indian commercial banks. Nearly 12 per cent. of the total public debt of India—of approximately Rs. 350 crores—is held by Indian banks. They have been the main props of the treasury business and they have not lagged behind in

[Shri Tulsidas]

assisting and supporting the formation and development of industrial ventures in this country. In the great task of mobilising the savings of the country, the Indian commercial banks had to pioneer into the interior of the country where banking was non-existent and to educate the people in the banking habit and to provide banking services at considerable cost to themselves, entailing them a great amount of hardship. It cannot be denied that such enterprise requires vision, energy, foresightedness and, above all, zest. My friends here do not know what banking is and, therefore, do not understand the facts. They would only.....

**Shri Feroze Gandhi** (Pratapgarh Distt.—West *cum* Rae Bareli Distt.—East): He only knows the consequences.

**Shri Tulsidas:** You have a zest of coming in the same category.

**Shri Feroze Gandhi:** Yes, I am in the same category. I am proud of it.

**Shri Tulsidas:** Sir, I will come to him afterwards. He has a particular friendship and he wants to think that the whole House, the whole community is of that type.

**Shri Feroze Gandhi:** That is wrong.

**Shri Tulsidas:** If there are one or two Members of this House who have misbehaved, does that mean that the whole House misbehaves?

I would like you to please understand this. These measures have been brought, because the hon. the Finance Minister thinks that there are certain bad things which have been done by certain banks and he wants to prevent these things. He told us yesterday that it would be a tactical error on his part if he does not have this Bill passed immediately, because, having disclosed his hands the banks would take advantage of the weaknesses, which he considers it is not in the interests of the economy of the country to allow. May I point out to him that the Reserve Bank and the Government of India have so much power today that if any bank misbehaves, the Finance Minister or the Governor of the Reserve Bank can wring the neck of the bank?

**Shri Feroze Gandhi:** No.

**The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari):** Get *our* neck wrung!

**Shri Tulsidas:** The hon. the Finance Minister today is in a mood not to accept anything. He wants today that whatever he has said, it must be kept, no matter who says anything, because he thinks that whatever he says is right. Naturally, he has the support of the Members and, apart from the support from this side and that side, he is certainly at a much better advantage.

**An Hon. Member:** Except from the capitalists.

**Shri Tulsidas:** He mentioned to me that personally he likes to deal only with a foreign bank, he does not trust any other bank, and he likes no other bank except a foreign bank. He likes a foreign bank because it looks to the personal interests and so on. May I tell him that in spite of all the handicaps they had, the Indian banks have achieved quite a lot? And I am sure as Finance Minister he would not, he cannot, deny that statement that Indian banks have achieved a certain amount of things.

**Shri T. T. Krishnamachari:** In any event, I have no worth while account now!

**Shri Tulsidas:** Anyway, that does not matter. He is entitled to say what he likes.

Among the achievements of the banking system, I may refer only to a few. The volume of deposits of Indian scheduled banks has gone up from Rs. 114 crores in 1935 to Rs. 625 crores in 1955. And the volume of advances has risen from Rs. 39 crores to Rs. 285 crores. At pesent it is estimated that there are 6 lakhs of shareholders of the different banks,

small and big, largely belonging to the middle classes. And the number of depositors is estimated to be about 6 million—only in the Indian banks. It is the faith and confidence in the small banks on which the entire banking structure is built up. I am sure the House does not appreciate that banking is a thing which is like a glass house. It evolves gradually and becomes bigger and bigger; it cannot grow suddenly. It has to have the public confidence. People talk about 'big banks'. They came into existence fifty years ago, and after fifty years they are now called 'big banks'. For twenty or thirty years they remained small banks. The public had confidence and they put in their deposits. It is not possible here, just as in any other industry where you just put in the machinery and start work and the factory begins working, here even if you have the machinery, the most important aspect is that you must have the confidence of the people. Unless the people have confidence, they would not put in deposits. And unless deposits are there, the banks will not become big. People say that the big banks take away the money and give a small rate of interest. May I remind the hon. the Finance Minister and also the hon. Members, and particularly my friend Shri Punnoose that if he would like to borrow money from anybody else among the public and opens an institution and offers 10 per cent. of interest he may not get even one pie, because the confidence of the people is not with him. I am sure that in any institution of that kind, I would get one per cent., because the people will come to me with confidence. Therefore, please understand that this is not a thing which you can learn just as any other thing. This is a thing which is very delicate. It is a delicate machinery. Please understand that banking, as I told you, is like a glass-house. If you have a slight crack, the house breaks, and it is very difficult to build it up again. The banking industry has to be built up in a very slow process and they have done it in this country in spite of foreign competition. Until 1947, practically the entire foreign exchange business was in the hands of foreign banks. Today, more than 35 per cent. of the business is in the hands of the Indian banks. The Indian banks have opened branches all over the country and all over the world. They have opened branches in the Far East, in the Asian countries and in Africa and in England. If the Government wants them to go ahead with other parts of the world, they will certainly go. It is a question of flying the flag of Indian banking in other parts of the world. I can tell you that if you are running down the banking industry in this country, it will recoil on this country in the matter of earning foreign exchange.

**Shri T. T. Krishnamachari:** Now, the hon. Member, living in glass-house, is throwing stones.

**Shri Tulsidas:** I am not throwing stones. I am sorry that my friend the Finance Minister has always got this habit of trying to take out something which is not correct. I am not throwing stones. I am trying to bring home the points. He does not want to understand them. I am sorry that as a Finance Minister he should say so. He should know much more than what I do.

**Shri Bhagwat Jha Azad:** He knows much more than you.

**Shri Tulsidas:** He should be able to understand and appreciate my point of view in a better way and not give me this retort. Does he realise that if any stone or anything is thrown on the banking system, it will recoil on the economy of this country? Does he realise that you have got to earn foreign exchange which is invisible in companies like banking, shipping and insurance? Because a particular bank has done certain things, he should not hammer that the whole banking institution in this country is bad or anything like that. Is it fair to do so? In spite of handicaps, the banking industry in this country has achieved certain things. Here are the facts. The Reserve

[Shri Tulsidas]

Bank has already admitted it. It has said that the banking industry in this country has done certain things and has achieved something in spite of several handicaps. In spite of all that, the hon. Finance Minister goes on hammering, day in and day out, by trying to say that the whole sector is completely useless.

My friend Shri Bhagwat Jha Azad just now mentioned an instance about a bank. Of course, there may be one or two banks of that nature. I do not say, 'No.' But the Government have enough powers and they can exercise those powers. But when they cannot even exercise those powers, they want to take more powers. The question is, who is to administer it. It is not the hon. Finance Minister. The hon. Finance Minster, Shr T. T. Krishnamachari is not going to be a perpetual element in this country. These powers are going to be permanent and therefore, if such powers are to be taken by them, let them be with anyone who comes in as the official of the Reserve Bank! The Bill shows that the only people who understand banking are the officials of the Reserve Bank, and that they will be able to direct the bankers as to how to do their banking business. Is this the proper way of doing it?

Only yesterday, Shri A. M. Thomas pointed out certain things. He said that while the Banking Companies Bill was being passed in this House, Dr. John Matthai and my friend, Shri T. T. Krishnamachari who was then on this side of the House, wanted certain things to be done. He pointed out that the very fact that an investigation is launched against a bank means ruin. That is enough to ruin the bank. What I say is, if you have got a complaint, you may send an observer. You can ask for every information, and the Reserve Bank has already said in its report that the banks on the whole have co-operated fully in this respect. If that is so, what is the necessity for these powers in the Bill? I do not understand.

Yesterday, I was trying to understand the speech of the hon. Finance Minister. He only said that the Law Ministry wanted these powers to be included and that therefore these powers must be taken, and that in one or two cases these powers were necessary. Perhaps legally it was not possible for the Reserve Bank to take a particular action. But then I may say that we have passed the Company Law. The new Companies Act is applicable to all banking companies. The Banking Companies Act is of course applicable to the banks but the Companies Act is also applied to the banking companies, because the banks are corporate companies. If that is so, I do not understand why these extraordinary powers are taken now. Where is the question of inspection and information to be given in the Banking Companies Act? All the information is given to the Reserve Bank, and the Reserve Bank have pointed out very clearly in their reports that the co-operation that the banks have given them is so nice that they will be able to carry on and improve the conditions of banking.

I have got with me here a brochure which the Reserve Bank has published. It is entitled *"Trend and progress of Banking in India during the year* 1955." What does it say. At page 26, it says:

> "It is gratifying to note that by the exercise of the powers under the Banking Companies Act and particularly as a result of the periodical inspection of banks, and the timely and preventive measures taken by the Reserve Bank the position in general of banks as well as banking in India has been steadily improving....As a result of following a cautious policy and the insistence on a fairly high standard of financial soundness on the part of banks before they are considered eligible for a licence in terms of section 22 of the Act, a substantial measure of improvement has been

effected in the banking systems during the last five years.... An effective surveillance over the banks which are still to be licensed is being maintained, and the rectification of the defects observed in their working actively pursued, thus forcing them to improve their affairs and qualify them for a licence.

Some of these banks are working under suitable conditions imposed on them by the Reserve Bank which include replacement of the chief executive officer by a suitable person and the appointment of a Banking Adviser, curtailment of the powers of particular persons in the Board of Directors, the recalling of any advances or group of advances which have undesirable features as well as restrictions on the grant of further advances. As a result of the various regulatory and remedial measures taken by the Reserve Bank, a gradual improvement in the financial position as well as methods of operation of a number of unlicensed banks is being achieved....

Thus, although the defects do still exist in the working of certain banks, the various corrective measures already taken are gradually bearing fruit, and the banking system in this country has been steadily improving".

With the existing powers, as I have pointed out, the Reserve Bank has already taken action against certain institutions, and the banks are co-operating. But here is a new lagislation. They want to enlarge the very powers. I do not understand why this trend of trying to get thirsty of powers and then coming forward and saying, "We want still more powers" should continue. It is not possible or desirable to exercise still more powers and to administer on the activities such powers in the way in which an institution would like to, and in the way in which there could be no harm done.

There has been a certain amount of general approach in this House as well as outside, and the Finance Minister also has fallen into the same habit of trying to run down practically the whole of the private sector and calling it a bad sector. He thinks everybody is bad in this country and nothing else remains. Well, we are of the same stock in this country, no matter whether it is the Communist or the Congressman or myself, an Independent. Let us not run down each other. We want this country to develop as fast as possible. Let us all get together. We have defects. We do not say, "No". But let us reform those defects in a manner in which no harm is done to the country's progress. I do not say that there are no defects in the banking system. But let us realise that the Reserve Bank has already taken certain actions and the banking companies have tried to co-operate with the Reserve Bank. There may be one or two banks which may not co-operate well. But still, the Reserve Bank has got powers to stay them and they can stop the licence. They may stop that bank. They have these powers already and I for one do not understand that there is any necessity for taking extra powers. If it is a question of merely grabbing powers and trying to have as much of bureaucratic regimentation as possible, a time will come when that bureaucratic regimentation must go. After all, I do feel the time will come when even the politicians and the Ministers will have to eat from the palms of these very bankers. It is all right today when we have a Minister like Shri T. T. Krishnamachari, who has a certain amount of boldness and initiative and tries to do certain things, which others cannot do. After all, we have accepted the principle of democracy in this country and everybody has to live. You can do certain things by public co-operation. You may improve the morale of the people and try to persuade them not to do certain things. I do not say "no" to it. But, merely because one bank misbehaved, the whole community should not be punished. It does not mean that the

[Shri Tulsidas]

whole community is bad. You expect that community also to do a certain work in this country.

I am quite willing to assist the hon. Finance Minister in stopping certain bad things. I am prepared to show him the ways by which certain things can be achieved; but, it is no use trying to say all the time, "We must have more powers first; then we will see about it", without giving any valid reason for it. I do feel that it is necessary to send this Bill to a select committee. Nothing is going to be last, after all.

**An Hon. Member:** Time.

**Shri Tulsidas:** There is plenty of time. Even if it takes six months, no banking company is going to take any action. If any banking company misbehaves, the Reserve Bank has got enough powers to stop the bank. So, where is the necessity for passing this Bill hastily?

It has been said that everybody goes to the court. Naturally, if the powers are utilised in a manner which is *ultra vires* of the Constitution, people go to the Supreme Court for justice. Every citizen of the country is protected by the Constitution. Therefore, why should we also not go to the court? It is wrong to give the reason that the people go to the courts. If there is any injustice done, naturally we have every right to go to the Supreme Court and ask for protection. If we pass legislation in this House without even considering the Constitution, then people will have to go to the court for protection.

There has been a certain amount of talk about the high salaries paid to the managers. You will realise that a few years ago, an Indian bank could not get an Indian manager, and there were foreign managers. It is only now that we have been able to get the managerial class for our banks and you go and hamper them. Do you realise what harm you are doing? I remember very well there was a time when banks could not find top men in this country. The managerial class has just come up. Now practically all the Indian banks have Indian managers, except one or two. Still there is dearth of trained Indian personnel to manage our banks. I for one do not believe that in this country, nationalisation has achieved anything. Let us take the State Bank. It was nationalised because the Indian commercial banks were not able to go to the rural areas. I would like to know from the hon. Finance Minister to how many rural areas the State Bank has gone. It still remains the same old Imperial Bank and functions in the same manner. We wanted nationalisation for the sake of making available credit in rural areas, because it was not possible for the commercial banks, with their limited resources, to go to the rural areas. But that purpose has not been served by nationalisation. There is no use in saying that everything should be nationalised. It does not help anybody in this country. Therefore, I feel it is no use trying to belittle the managerial class of this country. There may be one or two bad cases; I do not say "no". But, let us not put down the whole community. They have just come up. In an institution where I am Chairman, the bank manager was drawing Rs. 40 per month, when he entered the Bank. He became manager drawing Rs. 4,000 only after 40 years of service. It is just impossible for any body to become a manager. Of course, in a State institution, it does not matter who comes as the manager. Any bureaucrat can become the manager of a bank, a shipping company, an insurance company and everything. But, in private institutions, it takes years and years of training before a person becomes the manager. It is not easy for anybody to become manager. For instance, today I cannot manage the railways. *(Interruption)*. I do not have experience in it. But in the case of banks, I can manage them in the larger interests of this country much better than any of my friends on the right. Therefore, it is no use trying to run down the people in this country.

There are different clauses here for which I have moved a number of amendments. At every stage I will move the amendments and try to explain how this will harm the interests of banking in this country. I once again say that it is no use saying, "we want the powers first; then we will think about it". I think it would be much better if these powers are not taken, because people will co-operate with them. I think the powers will do more harm than good. It is no use trying to take more powers, because there is no necessity for it. The hon. Minister himself said yesterday that there is public co-operation. When there is public co-operation, why do you take these powers? There is no reason for taking them and there is no reason also to do it in this hasty manner. I said yesterday, "the heavens will not fall" and I still maintain that the heavens will not fall if you postpone this, because you have enough powers. No bank can take the risk of going against the directions of the Reserve Bank. If any bank does it, it will be in a soup. Therefore, I would repeat, do not take more powers. Let us see how they are working. Later on, if you find that additional powers are necessary, take them. I have no objection to it. It is no use taking as much powers as anybody would like.

I will explain my amendments at the appropriate stage.

**Shri Punnoose** (Alleppey): In spite of the valuable sermon on the virtues of banking and bankers given by my friend who has just finished, I remain as one who thinks that Government have to take a very firm stand with regard to banking. It has been mentioned yesterday and today also that the hon. Minister has now changed the position he took when he was an ordinary Member of this House. I would ask hon. Members, what has brought about this change. It would have been surprising if it had not happened, if he had not changed. In a planned economy, as one who is holding a responsible position, as one who is the Finance Minister, he has to take certain steps. He cannot allow the banking sector to be in the private hands as it used to be. My complaint is that the Finance Minister is not prepared to go as far as he should. In fact, what is required today is that the banks should be nationalised. As was said by the previous speaker, I do not claim to know the intricacies of banking and its niceties. But, I know that it is a very important sector, a very strategic position in the economy of any country. In a planned economy, you cannot do anything unless you have got absolute control over banks and banking, because that is the life line. They can do several things, they can control investment, they can manipulate the price trends, they can do wonderful things both right and wrong. As such, a Government which claims that it is in charge of a planned economy, should necessarily take a positive stand on banking. It is not a question of throwing mud at bankers or banking. My hon. friend said that there may be one or two misbehaving. I would have agreed with him if he had put it the other way. There may be one or two who are behaving. A vast majority of them, of course, for no fault of their own, driven by motives of private interest and profit, behave in a way that won't be helpful in a planned economy. Therefore, the logical step that the Finance Minister should have taken was to nationalise the banks. But, today, what he has done or what he is doing may be characterised as hunting with the hound and running with the hare. He tries to make it appear that he is going to be firm with the banks. The nation is likely to believe on the eve of the general elections, that big bankers and big banks are going to be under the grip of the Government. But, at the same time, I am afraid, the situation will not be helped. I have no doubt about the shrewdness of the Finance Minister. I have absolute faith. But, I have my doubts that the bankers are more shrewd and they will find ways and means to manage in their own way in spite of the restrictions that he tries to impose.

[Shri Punnoose]

With regard to the motion for reference to a Select Committee, I cannot imagine a more disastrous proposal, because the tragedy will be complete if this is postponed. As he said yesterday, he has shown his cards. By the time we come to the first reading and second reading after the report of the Select Committee, the banks will have played their game all right. Shri Matthen knows it. That is why I opposed it yesterday when Shri A. M. Thomas made the proposal. To send the Bill to a Select Committee is something very wrong in the circumstances.

As regards the proposals made here, most of them are acceptable to us. But, certain things have not been made clear. This cannot be a step that will do away with the necessity of nationalisation of banks. He will have to do it. This Finance Minister or another Finance Minister will have to take that step, if we want a steady progress in a planned economy. What is happening is this. He has already given some annoyance to the bankers. He has already displeased them. They think that he is making inroads. At the same time, they can run the show as they like. The control of the Reserve Bank is there. It is good that the Reserve Bank has greater control. In that also, I do not know how far it will be useful to keep our banking in a healthy conditions. Because, big banks have their pull. Everybody knows that in the whole economy, they have got a pull. With the Reserve Bank officials also, they have their pull. There were complaints that the Reserve Bank is particularly hard and harsh in the case of small banks while the big banks have their easy way with the Reserve Bank.

I am reminded of the banks in Kerala. When the Bank Award Commission had given its report, they said that the Award was not immediately applicable to banks in Travancore-Cochin. They recommended that there should be a commission to examine the case of all the banks in Travancore-Cochin as a whole. They wanted all the conditions to be studied and proposals made. That was in July, 1955. After some time, a commission was appointed and I am told—it is well known—that a report was submitted to the Government in August last. Five months have passed or are nearly over. Still, we know nothing of what has happened, whether the Government have accepted the recommendations or what the recommendations are. In fact, it is extremely unfair, to say the least, to the Members of this House particularly from Kerala and also to the banking interests in that area as well as to the people to ask them to have their say on these proposals without knowing what recommendations have been made by that commission, because, that report is supposed to throw light on the working conditions of the banking system there. How can we say whether these proposals can be applied to the banking system there or not? I do not know why such delay is taking place. There is grave anxiety about it. The bank employees are agitated over it. They are sending letters and telegrams to Ministers and Members. Some time back, at the close of the last session, the Labour Minister was pleased to tell me that in a few days, the report will be published. Months have passed; still it is not published. I am told that two powerful organisations of bankers in that area, the Travancore-Cochin Bankers' Association with its headquarters at Kottayam and the Kerala Bankers' Association with its headquarters at Trichur which Shri C. R. Iyyunni knows very well, are moving heaven and earth to see that the recommendations that are supposed to be favourable to the employees are not implemented. I am also told, if I am not revealing something secret, that the Finance Minister is also being approached by these interests to see that these recommendations are not implemented. I hope he will not lend his ear to such bad counsels. In the first place, this report is to be published if we have to give any sort of informed opinion about the proposals as applied to the banks in that area.

There are certain big problems in our area. As Shri A. M. Thomas said, in Travancore-Cochin itself, we have got nearly 160 banks, but only Rs. 26 crores by way of total deposits. So, what to do with these small banks?

Shri A. M. Thomas said yesterday that these banks have been very useful to the rural people. In a sense they have served that purpose, but we come across instances, thousands and thousands of instances, where whole families have gone to ruin because of the exploitation of these banks, because some of our banks are the worst type of moneylenders. This is also well known. So, the proposals of the Commission have to be examined carefully before these proposals can be applied *in toto* or in part to those banks.

In the Statement of Objects and Reasons, one of the objects given is: "to check the payment of excessive remuneration to bank employees on a consideration of all relevant factors". I do not know to which employees the Minister is referring. If he is referring to the big posts and fat salaries given to sons-in-law and prospective sons-in-law and brothers of prospective sons-in-law and all that, I can understand, because we are so familiar with such things. I can from my memory give instances of whole families being absorbed in these small banks. If that is his intention we are with him. I hope it will not come in the way of giving a living wage or a fair wage to the employees. I am sure that is not what he has in mind. Therefore, these proposals on the whole are welcome and I hope they will be accepted.

The other thing that the hon. Minister said yesterday was that banks require a certain amount of personal attention and personal concentration. Is it his contention that the Government cannot do it at all? If that is so, I think the future of our planning is rather dismal. I believe he did not mean that. Certainly banking requires it in a larger measure, but commercial and industrial undertakings also require a certain amount of personal attention and concentration which is not normally required in governmental affairs. We have to develop the cadre and the means and the organisation to give that personal attention and concentration. I believe that the proposals will not come in the way of nationalising the banks at an early date. In fact, I believe that banking is so important that you cannot allow private interests to remain there. It can do no good. It can only do harm to the national economy since we have got a planned economy.

Everybody knows that the Finance Minister, when he wants to do something good, can do it with speed and force. He has got the grit to do that. Only I am afraid he is a little too late with this proposal. Probably he does not want to make it appear that he has shifted, given up certain old ideas. I want him to take more courage. When there is a change, let him accept it. From our side he will get all support. Also, large masses of people will like that banks and banking are in the hands of Government. Not that mistakes must be committed. There should not be any mistakes, and our machinery should be put in trim. Naturally there should be the personal attention and concentration necessary for such a system. I wish that the hon. Minister takes speedy measures for that also.

**Shri Jhunjhunwala** (Bhagalpur Central): At the outset I cannot conceal my feeling that in spite of the fact that Government should have full power to stop all shady things,—I shall be the first to support the Government in taking all such powers—to do it in such a hasty way and at the fag end of the session does not appear to be very happy. This creates a sort of bad psychology among the people when we cannot get full time to examine things properly.

Day before yesterday the Finance Minister took power to impose excise and other duties. It had my full support and I congratulate him. I like that whenever he wants to do a thing, he does it wholeheartedly. That

[Shri Jhunjhunwala]

is a thing which is required in order especially to improve the economy of our country in a businesslike way. But, here as I said, the Members should have been given full time to consider all the clauses. The proposal of my friend Shri A. M. Thomas to refer it to the Select Committee was not in the spirit that he wanted to see that this Bill was not passed. What we want is that this Bill should have been brought a bit earlier. We should have been given an opportunity to scan things properly and then, certain suggestions which cannot be discussed properly in the whole House could have been better discussed in the Select Committee and certain improvements made in the Bill so that the powers could be properly exercised. In the case of the imposition of the exercise and other duties which I was mentioning, there was a provision that even when Parliament was sitting Government could issue a notification. We all felt that it was wrong and Pandit Thakur Das Bhargava pointed it out and the amendment was accepted by the Finance Minister. Similarly, in this there are many powers which have been given to the Reserve Bank, but when we got to the Companies Act we find there are sufficient powers and if the Government administers that Act properly there is no necessity to take so much power in their hands. Even if there was necessity, some slight amendment and improvement here and there would have been sufficient.

The other day the Government, while moving the taxation proposals, had taken power for compulsory deposits and the Finance Minister confessed that he had scanned all the provisions of the Companies Act and it was not possible for him to get hold of the shady things and therefore he was taking that power. But I would submit to the Finance Minister that he should be more strict in the administration of the powers which he has already taken and see whether those powers are properly administered or not. Taking more power every day does not create a very good psychological effect in the minds of the people, and it creates unnecessary scare.

Yesterday my hon. friend Shri A. M. Thomas was pointing out that when discussion was going on on the parent Bill, the hon. Finance Minister and also Shri A. C. Guha who were sitting on this side had criticised it and given their arguments. I do not want to dilate on those points here and take the time of the House unnecessarily, but I shall expect that the hon. Finance Minister has taken all those things into consideration. I hope the Minister will, in the course of his reply, enlighten us on those points that had been raised against the provisions of this Bill in the earlier discussions.

Now, two points of view have been expressed. One is from the side of Shri Tulsidas who has said that this is nothing but nationalisation. In his opinion, the taking of so much power is nothing but nationalisation. The other view is that this is nothing but circumvention of nationalisation. I say that Government do not want these powers for the sake of nationalisation. Of course, if they want to nationalise, there is nothing to prevent them from doing so, and I would say that they should go in for nationalisation of the banking industry if they feel that it is necessary in the interests of the country. So far as the question of circumvention of nationalisation is concerned, I do not think this is circumvention. My hon. friends opposite have given so many instances to show why nationalisation is necessary. But I would point out that Government want to do things in a democratic way. In the present state of mixed economy, they only want to control the shady things and do away with shady things. So, there is no question of any circumvention. In fact, as I said at the very beginning, there has been no such necessity. But this is only a desperate attempt on the part of Government to clothe the Reserve Bank and the department concerned with larger powers.

As a matter of fact, in spite of this, what Government want to prevent will happen. Government want to prevent corruption, for instance. Now, corruption is there among so many banking companies. With all due respect, I would submit that, after all, the people in the Reserve Bank are also human beings; they have also got their human frailties and weaknesses; they have also got the personal touch with people. So, I am afraid there will be much of corruption even when Government give so much power to them.

**Shri B. Das** (Jaipur-Keonjhar): Why do you suppose so?

**Shri Jhunjhunwala:** The hon. Member can give instances. The result will be that those people who will have push with the Reserve Bank people will get the upper hand, and will go scot-free. And, as my hon. friends Shri A. M. Thomas and Shri Punnoose have said, I also feel that it is the small people and the small banking concerns who will suffer. The people in the Reserve Bank have got very big ideas, and they think only in terms of crores of rupees; they have got no ideas of one lakh, two lakhs or three lakhs of rupees. They would think that those people who are dealing in crores are good people and are all right, and there is nothing against them; and those big people will go on doing the shady things with impunity and they will escape. It is only the small people who have no approach to the Reserve Bank people, that will suffer.

Now, what is the position even under the present administration of the Companies Act? I know the Finance Minister is very busy, and he does not even get time for proper sleep. He looks into things very minutely, whenever anything is brought to his notice. In spite of that, many big people escape, and the object with which the Companies Act was framed is not being carried out. In spite of the Finance Minister's great desire to see that justice is done to the shareholders, I would say that he is helpless. That is why he wants more and more powers.

But he has to consider whether the taking of more and more powers is going to help him at all. If he thinks that these private concerns are no good and they cannot be improved, let him nationalise them. Otherwise, in my humble opinion, whatever power Government may have, they must exercise it properly, and they must make the people feel that they have to reform themselves. As the Finance Minister himself has said again and again, it is only with the co-operation of the people that we can develop our country, we can develop our industry and we can improve our economy. But I do not know why he loses sight of those people for administering whom more and more powers have been taken by Government. Why is it that those people have not been improved? The Minister has to pause and consider.

I fell strongly that whatever powers Government have are sufficient. My hon. friend Pandit Thakur Das Bhargava says that I do not understand it from the legal point of view, but I would say that if Government exercise the power which they have got, and the Reserve Bank exercises the power which it has got, and they are vigilant in their work, there would not have been any necessity to have brought forward this Bill.

This will create unnecessary scare in the market and among the people there. After all, we have to improve these people also, and they should be improved by Government administering the powers which they have in the proper manner so that those people who are working in the right manner, and honestly and *bona fide* may feel that they will not suffer.

But just the opposite thing is happening. Shri Tulsidas was saying that the Finance Minister has said, 'I have to take these powers in my hands, because these gentlemen even for a small thing go to court, and unnecessarily create trouble in the way of proper administration'. I fully agree with the Finance Minister. I do not agree with Shri Tulsidas when he says, 'We are governed by a Constitution,

[Shri Jhunjhunwala]

when we feel that justice is not being done to us, we have to seek redress in a court'. I agree that if justice is not done to these people, they have to seek redress in a court. But if they try to circumvent the spirit of the law, then in that case, as good citizens, they should not go to a court. They should try to mend themselves; they should have a proper code of conduct for themselves, so that Government may not unnecessarily take the trouble of coming forward before this House for taking more and more powers which unnecessarily create trouble and which do not help in any way.

Now, the powers that are being taken are for the following purposes. The first of them is:

> "To check the payment of excessive remuneration to bank employees on a consideration of all relevant factors;".

This is all right. But I agree with Shri Tulsidas when he says that in the beginning it was rather difficult to get on a low remuneration a good man who would be able to manage the banks properly.

The second object is:

> "To make the existing restrictions on exercise of voting rights in the hands of individual shareholders applicable to banks which are now exempt from such restrictions;".

14 HRS.

I agree that the Reserve Bank should take this power. But I do not know whether this power will be properly exercised by the Reserve Bank or not. That is a thing which has to be seen. There is nothing here provided in this Bill, if any wrong is done by the Reserve Bank in the exercise of its discretion. Nobody has got any power to go to the Government on appeal. I think some provision should be provided here, that if any injustice is done, if any harsh treatment is shown by the Reserve Bank to any other bank, they should have the power to go to the Government in order to place their grievances.

Similarly, so many things can be said on other provisions also. I will do that when the clauses are taken up.

With these words, Sir, I support the Bill and, in the end, I would again say that these things should not have been done in a hasty manner.

**Shri Matthen** (Thiruvellah): Mr. Speaker, Sir, I am very glad that my Comrade friend, who is not here now, gave his wholehearted support to the hon. Finance Minister. I hope he will repeat this policy very frequently in future.

I am not a capitalist, much less a banker.

**Kumari Annie Mascarene** (Trivandrum): Now.

**Shri Matthen:** Whatever might have been the background, Madam. I said this—and the hon. Finance Minister knows it very well—so that he may appreciate my observation to be more objective than an ordinary lay Member of this House.

I am prepared to give my all-out support to the hon. Finance Minister in all his efforts to maintain the integrity and efficiency of the banking system of India. If things are so bad as was vehemently put by my friend Shri Bhagwat Jha Azad, I am even prepared to support the hon. Finance Minister in nationalising the whole banking system.

But, is it necessary? My immediate reaction, Sir, to the Bill, to be frank with you, was not very happy. My reaction was just like the reaction of the previous speaker, Shri Jhunjhunwala. The repercussions of this drastic step, I am afraid, it is impossible to visualise at present. Anyway, I am asking the hon. Finance Minister: is it fair to take advantage of this thin

House at the fag end of the session to rush through an important Bill with such drastic powers? I am not opposing the provisions, I must tell you that. I do not know how many times we have been ringing for quorum. Even friends interested in putting questions are not present. The other day my friend Shri D. C. Sharma was not here; he was not in his seat when his name was called. More Members are absent than present. This is mainly because of the coming elections. I myself was advised by some of my friends to go to my State at this critical time. But it is so far off that I thought, I better leave it to the goodwill of other people. More than that, at the fag end of the session, everyone is busy with some lobby work because he has to return to his State. I tell you, Sir, I get my legs tired by going this side and that side to meet this Minister or that Minister, maybe for a small thing. On the top of it, every evening there are lots of inevitable social engagements which, morally, one has to give or accept. In any case, I must admit that I have not been able to give much thought over this Bill, and that is why I ask the hon. Finance Minister, in whose fairness I have abundant faith—I have known him for more than a quarter century; he is sporting, he is fair, he is courageous too—to refer this Bill to a Select Committee. I support the proposal of my friend Shri A. M. Thomas.

There are several matters that cannot be very openly discussed in this House for obvious reasons; I perfectly appreciate that. Sections 2, 3, 4, 7 and 8, I am afraid, do not help the development of the personality of the chief executive. The general managers of banks, as my friend Shri Tulsidas just now said, have certainly risen up to that stature and compare favourably with the general managers of foreign exchange banks who have been dominating all these years. In such a short time, in hardly less than ten years I must tell you they have been able to reach up to a stage and compare favourably with any bankers. I understand, not only business in India but even foreign exchange business has been captured more or less by Indian banks. That is something to their credit. My fear is that these clauses, which I mentioned just now, impair the personality of the chief executive. The hon. Finance Minister himself knows it very well. Certainly, these measures are not going to encourage them to take up this job and be completely under the control of the Reserve Bank. For example, take this "enumeration of emoluments paid to them in the profit and loss account". Is it absolutely necessary? Has not the Reserve Bank powers enough to check the defaulting ones and take them to task?

Here again, if the hon. Minister feels that it is necessary, the situation is so bad, a national emergency has come in, I will be the first man to go all out, as I said, at first to support it even to the extent of issuing ordinances, lest this matter can't wait till the next session, to protect the banking system from those dangers. If the Bill goes to a Select Committee, that will be an opportunity for the hon. Minister to explain its implications and convince us that the provisions made therein are necessary which, obviously, he cannot do in the House.

**Shri Bhagwat Jha Azad:** We are convinced.

**Shri Matthen:** There are some humble friends who are not so intelligent as my friend and who are not convinced. I am repeating again, Sir, that I am not opposing the Bill. I am in full sympathy with the Bill. I am only telling the House my immediate reaction which may be wrong. I am open to conviction. After all, it is only an interval of just three months. Therefore, in all earnestness I would request the hon. Minister to refer this Bill to a Select Committee and resort to any emergency provisions for preventing frauds or other difficulties that he has.

About small banks, I believe, my friend Shri Bhagwat Jha Azad said very vehemently and passionately that the socialistic pattern has not been followed by the banks. I think he is

[Shri Matthen]

right. At least in the case of small banks the Reserve Bank's attitude has not been very helpful. The tendency is to treat them as problem institutions. Is it consistent with the socialistic pattern? Is it consistent with the spirit of the Rural Banking Enquiry Committee Report? A positive attitude must be adopted towards small banks which alone come to the help of the rural people. At least the part played by these small banks in small towns and rural areas—especially in South India and, particularly in my own State—should be realised.

In my State, rural banking has been practised long before the Reserve Bank thought of appointing a Committee to go into it. There has been the practice of the socialist pattern before the socialist pattern was approved by Parliament. The large number of the healthy middle class that you will find there is due to a very large extent to the financial help given by the small banks.

I will just cite one example. I remember in my early days that from one end of the State to the other, financing was done by moneylenders from outside the State, giving money at very usurious rates of interest. In addition to interest, people had to pay some commission. Then they were asked to bring so many other things. In every town or important village, there was a moneylender who was known as the Hundi merchant. That was about 30 years ago.

Then, Sir, the small banks came on the field. I am glad to say that in ten years every one of the moneylenders disappeared from my State, though still you find these moneylenders in several other parts of India.

Why did these moneylenders have to go away? Because these small banks came on the scene and they treated people better, more humanely. They lent money at a lower rate of interest. Today most of the banks are issuing money at about 6 or 7 per cent. This is all due to the service rendered by the small banks. The large number of tea estates, rubber estates, big and small, cardamom estates and other estates owe their position to the help given by the small banks.

Today the Reserve Bank is following a policy which is certainly not suited to this region. I can tell you that we have developed a pattern of banking which is not like the U.K. pattern or system of banking. I am sure the hon. Minister knows very well what I said just now, but the Reserve Bank has not been able to appreciate that.

What was the position in Germany when Germany was undeveloped? In the beginning stages of German industry, the German banking system was not like the U.K. banking system. They used to give large advances to people on land and on personal security. Today they may not need it. But I can tell you that in our poor country, people have not got anything better. The large commercial banks, as Shri Bhagwat Jha Azad, pointed out, cater to the richer and richer classes. The poor and middle class people, the improvement of whose economic condition is the main object of the Government, according to the Second Five Year Plan and the socialist pattern of society, are not helped by the large banks. I am not saying anything against them, but they cannot open their branches in every village. It won't pay them. It is these small banks which can go to every locality and open a branch there. They are better fitted to do it by reason of their experience in the field.

So my request to the hon. Minister is to look into this matter and give some help to these people in order to develop the economy of the larger countryside.

My hon. friend, Shri Punnoose, was referring to the T.C. Banking Committee's Report. That Report has not yet been published. But I hear that the Report is mostly coloured by the

Reserve Bank attitude which I criticised just now. Unless there are some practical bankers knowing this kind of rural banking business, the Reserve Bank will never be able to help them. This is a very important matter which I submit for the consideration of the hon. Minister; at any rate when that Report comes in for consideration and decision by Government, I would submit that an opportunity be given to the two bankers' associations of my State, the Travancore-Cochin Bankers' Association and the Malabar Bankers' Association to have a discussion with the hon. Finance Minister.

As I said, I have abundant faith in the fairness and chivalry of the hon. Minister and I hope and trust that he will accept the amendment for reference of the Bill to the Select Committee.

**Shri Mohiuddin** (Hyderabad City): The Banking Companies (Amendment) Bill is of vital importance, and I am sure that it has been introduced after considerable thought and consideration for the solution of the problem of banking in India as a whole.

Shri Tulsidas argued at length against the whole principle of the Bill. He is not in favour of any interference by the Reserve Bank or by the Government in the working of joint stock banks. With one sweep of hand, he condemned the whole House for not appreciating the seriousness of interference with the banks by outside parties. He said that the bank was a very delicate instrument, a very delicate plant. He compared it, I suppose, to a glass house. I fully agree with him that banking is an extremely delicate plant which has to be nurtured and nourished with care and love and with great precaution. But I remember that when the Reserve Bank was authorised under the Reserve Bank Act and the Banking Companies Act to inspect banks, there was a similar protest that this was an unwarranted interference in the working of private institutions. At the same time, we have seen that the system of inspection of banks by the Reserve Bank has proved of very great value and has resulted, I am sure, in very great improvement in the method and working of the banks as a whole. The power of inspection has been exercised with great care, and it has done good to the whole country.

Now, having experience of the working of that power of inspection, I think the powers that are being given to the Government or the Reserve Bank now will prove ultimately to be of greater benefit and use for the progress of banking institutions in India. After all, banks rely on deposits received from the public, and the Government and the Reserve Bank have a right and a duty to see that the money which is deposited in the banks is properly used, and the power which vests in the banks is not misused. It is for these purposes that the clauses of the amending Bill are intended to arm the Reserve Bank with the necessary powers.

Now, the Reserve Bank is being armed with these powers and I fully welcome it. But I hope the Finance Minister will consider whether the Reserve Bank itself is fully equipped and is in a position, as far as its officers and other departments are concerned, to exercise these powers in an impartial manner. As I have said, so far, the powers have been exercised in an extremely impartial manner, and I have not heard any serious complaint. But more powers are being concentrated in the Reserve Bank of India, and we have got to see that the Reserve Bank of India itself is in a position to exercise those powers impartially, fairly and in the general interest of the nation as a whole.

There is a general saying that there must be an inspection of the inspector himself. Who inspects the Reserve Bank? The Board is nominated by Government. . .

**Shri T. T. Krishnamachari:** I do.

**Shri Mohiuddin:** That is what I was mentioning. The Finance Minister may have the chance of inspecting; but has the Finance Minister the time to inspect the Reserve Bank?

**Shri T. T. Krishnamachari:** He has.

**Shri Mohiuddin:** I am happy that the Finance Minister has asserted that he has the time.

**Mr. Speaker:** Who inspects the Minister?

**Shri T. T. Krishnamachari:** All hon. Members of the House.

**Mr. Speaker:** Therefore, at some stage you must give power to somebody, to the Finance Minister.

**Shri Mohiuddin:** I am making this criticism with a view to offer some constructive suggestion. I am glad that the Finance Minister has the time and he has intention of inspecting the Reserve Bank and taking interest in the working of the Reserve Bank.

**Shri T. T. Krishnamachari:** I have already been twice to the Reserve Bank ever since I took office, which would beat the record of any of my predecessors.

**Mr. Speaker:** Let the hon. Member give his suggestions.

**Shri Mohiuddin:** I was going to suggest that with the concentration of these powers with the Reserve Bank, we might examine the constitution of the Reserve Bank or the Board of the Reserve Bank itself. I was going to suggest that the Board may be made a functional Board. The Reserve Bank has now got to deal with rural credit side. It is dealing with commercial banks and there are so many other very important functions. The Governor and the Board have full power under these various Acts which vest in them great responsibility. I was therefore suggesting that the Finance Minister may examine the possibility of making the Board a functional Board so that the Board, while being jointly responsible to the Government and to this House, may at the same time have the facility of having specialised directors for looking after particular aspects of the banks.

In this connection I might also mention that the deposits of the commercial banks are, of course, increasing gradually. In 1955, according to *The Trend and Progress of Banking in India*, the deposits had increased by Rs. 91 crores but the credit expansion is much more than the increase in the deposits. That was the situation in 1955. In 1956, in spite of considerable decrease in the circulation of currency, the deposits have not increased as was expected. As pointed out by the Reserve Bank Report, which I mentioned before, the result is that the banks tend to draw on the cash that they hold, or the investments that they have made in the securities so that they may have more funds to meet extra demands for advances. The position of advances in 1956 is already very acute and with the progress of the year 1956-57, with the progress of heavy investments arising out of the Five Year Plan, the position may become still more acute, and the rates of interest may go up.

I am drawing attention to these facts only in a general way and I wish to suggest that although these clauses are necessary to control the working of the banks, I wish that the whole question of the progress of banking should be examined to see that the banks make progress with that speed and rate which is necessary for the development of the country as a whole.

With these words I fully support the amendment of the Act, and I do not agree with the proposal that it should be referred to a Select Committee.

**Pandit Thakur Das Bhargava** (Gurgaon) *rose.*

**Mr. Speaker:** So far as hon. Members are concerned, not only in the third reading stage but also in the clause-by-clause consideration stage, I will give them an opportunity to speak. Now I call on the hon. Minister.

**Shri T. T. Krishnamachari:** The main motion before the House is that it should be referred to a Select Committee with instructions to report at the beginning of the next session. If hon. Members had really voted down this measure, it would have had the same effect. I could have brought it up again six months afterwards. Instead of that, some hon. Members want me to refer this to a Select Committee and then bring it before the next session, which session will not be able obviously to consider this measure, and thereafter the Bill must lapse. I really cannot understand what rational reply I can give to the hon. Member who moved the motion for referring this Bill to a Select Committee.

**Shri Matthen:** Why can't we consider this in the next session?

**Shri T. T. Krishnamachari:** It is true that the motion was tantamount to negativing this particular Bill before the House. I think my hon. friend, Shri Tulsidas, is certainly entitled to some admiration from me, because his opposition was straightforward, and he said "I do not want this measure; would heavens fall without this"? Heavens have never fallen on tragedies much worse than what is happening in the banking world. The only safety about heaven is that it never falls. I understand my hon. friend, but I cannot understand my hon. friends who want this motion to be accepted, and then for us to go through a farce of a Select Committee knowing full well that that *Committee's Report is of no use.* There will be another Bill; there will be another Select Committee or the Bill will be considered at the third Select Committee. I have gone to some trouble to understand what is behind all this. If you say: "We do not want the Bill", that, of course, I can understand...

**Shri Matthen:** Certainly not.

**Shri Kamath** (Hoshangabad): On a point of order, unless I misheard the hon. Minister, he said "the farce of a Select Committee".....

**Shri T. T. Krishnamachari:** I said that it would be farcical.

**Shri Kamath:** I would only ask you to consider whether it is proper to use the word 'farce' with reference to a Committee of the House.

**Shri Feroze Gandhi:** At this stage it would be farcical. It is correct to say 'the farce of the Select Committee'.

**Mr. Speaker:** The reference has not been made to the Select Committee and the hon. Minister has cast no aspersions on the Select Committee. On the other hand, he is anxious that the Select Committee should do its work properly and that it will not end in a farce. I am sure the hon. Minister is anxious that the Select Committee with all its weight should go into this matter properly. He felt that the Bill which contains 50 or 60 clauses, when it is sent to the Select Committee and asked to look into it for a day will be a farce; it will not be doing justice to the Select Committee or to this House. He said therefore it would be better to prevent any such abuse other than quarrel with it after it comes out with the report.

**Shri T. T. Krishnamachari:** The language we have to use is rather difficult; it is a foreigners' language. Therefore, I can feel the hon. Member's anxiety and if he says that in the weight of opinion it should be withdrawn, it is a different matter.

**An Hon. Member:** No.

**Shri T. T. Krishnamachari:** If he says that so far as this question is concerned, I approve of the Bill, but do not want to push the Bill this time, that may have been better; I think even that would have been better than the Select Committee Motion. I would have appreciated if he had said: Do not push it before this session; let an opportunity be given to the various institutions that are likely to be affected, so that they can re-adjust

[Shri T. T. Krishnamachari]

their position and we may bring in a new Bill; either we must completely overhaul what they have done or we should allow the *status quo*. I do not say that any hon. Member who has put forward the suggestion of a Select Committee had any *mala fide* intention. Nobody has. I am aware of their *bona fides* but nevertheless they thought that this was not the right time or the time is not opportune. Much play has been made by my hon. friend, Shri Thomas on the effect of the original Bill, I mean the Bill which ultimately became an Act. There were three Select Committees and I had participated in two of them and I had not the good fortune to participate in the third one. I therefore asked for a report of the Select Committee. Mine is not a long record of legislative work; it started some time in 1937 and it is only a matter of 20 years. During these 20 years, it may be that I have said many things which are contrary or even contradictory to the views that I hold today; I might have given expression to many things and I have forgotten what I said then. In fact, that is why when I saw this particular reference, both the original and the one after the Select Committee had reported, I find that the persistence that I had at that time has been lost, that during the intervening period, between 1949 and perhaps 1956, I lost the fervour and enthusiasm that I had for re-shaping the economy of this country in the matter in which I wanted to do at that time. I shall read my speech here. I wanted a dividend limitation in respect of banks and said that the bank's dividend must be restricted to 9 per cent., and I complained bitterly against a former and very distinguished predecessor of mine for whose judgment and integrity I have the highest respect. I said that he is not doing the proper thing. I would like to quote again. I offer my apologies for what I might have been doing—for my misdeeds.

> "I want this Government not to experiment on sociological ideas; I want them to embark on them."

I think I have probably forgotten all this in the amendment. If I do not want to embark on this idea, I should be untrue to the speech that I made in 1949, namely that I am not in a position to support the motion before the House and say that this motion must be got through, provided the House should permit us to allow this motion to go through.

That is what my hon. friend, Shri Thomas said of my having participated in the Select Committee by the amendments that I sought to move. I do not remember that I appended a minute of dissent to the motion.

**Mr. Speaker:** What harm is there if the hon. Minister changes?

**Shri T. T. Krishnamachari:** No, Sir. I agree that there is no harm in changing, but it appears that in the interval, I have changed for the worse, and if I have changed for the better, I do not think my hon. friend can blame me.

I come again to the point which I mentioned in 1949 that I do not want to experiment with sociological ideas; I have no desire to experiment with them. This Government has embarked on them and I think, we must go on with it.

Therefore, what Shri Thomas stated was not quite relevant because I have said nothing there which could be held up against me, even, assuming that I have the right to change—I think everybody has the right to change—I say once again I have not pursued the path which I objected to in 1949 as a private member. I do not know if I am doing justice to my present office in regard to the ideas that I had at that time.

**An Hon. Member:** Now we wish you to embark upon that.

**Shri T. T. Krishnamachari:** I have already explained yesterday why these amendments are necessary. Of course, I cannot give instances. I know the instances, but I cannot give them by saying Bank A or Bank B. Even

oday in regard to one particular set of institutions, I had asked for some report. I found that in spite of everything else, some one person is cornering some particular bank and he wants to amalgamate some three banks.

Therefore the opposition of my hon. friends to the Bill being put through now, which I thought was what those who are supporting the Select Committee motion want to do, is not a correct one. I have already explained that. I had not brought forward this Bill to allow the *status quo* to remain; it may be that some harm may happen or continue to happen but it would not be aggravated. My hon. friend Shri Punnoose explained very clearly how I am going to proceed with the Bill and certainly every loophole would be plugged in so far as my intentions covered by the present Bill are concerned. Shri Thomas mentioned about the failure of the Reserve Bank in regard to Travancore-Cochin. There is no bank in Travancore-Cochin which the Reserve Bank has recognized, barring one bank. Yes, Sir. It is true they have not issued a licence. Nonetheless the banks are functioning—at least most of them. Mention has been made that the Reserve Bank was of the opinion that the banks have fulfilled their functions in the proper way, as laid down in the Banking Companies Act; They have not negatived the licences and the banks are functioning. What else is needed, I cannot see, unless it be that my hon. friend thinks that by the *imprimatur* of the Reserve Bank ink being attached to the particular banking institutions the stature is in some way safeguarded. I cannot see what harm has happened.

Another point has been mentioned by several speakers, particularly by my hon. friend Shri Tulsidas. He said the Banking Companies Act is there; your powers are there; why don't you use those powers? Why do you want these powers now? I do not want to appear somewhat amateurish in trying to put it in the form of a syllogism: The forms are there. Why take these powers? If the powers are there, why should I not use them? Why have the Bill anyway? I do find that there are certain difficulties in the operation of the provisions, even in a limited form, in regard to the banking companies. But, I am not quite sure in my mind that the Companies Act gives me powers to check abuses where the abuses are not between the management and the shareholder. That is the defect which I think the Companies Act still has in many respects. I had no time to come to the House with an amendment of it. In any event I cannot come with an amendment until I have worked the Act for at least a full year. In some cases, we are merely seeking to burden ourselves in order to give our sanction for the appointment of a manager on Rs. 430. As I told this House yesterday I found in the Government's correspondence, an Under Secretary of the Company Law Administration had to give permission for the appointment of a person on Rs. 430. It is completely meaningless; it is not our intention at all. When big things change hands some people try to get hold of companies and we find that we are completely powerless. We can go up to a point but that point does not mean the logical end. We cannot stop the misuse of the privileges of a person who has temporarily acquired a control over the shares. I cannot say now as to how it is to be amended. It does happen that the emphasis so far as the Company Law is concerned is primarily to take the interest of the shareholders and therefore the same thing could not be applied in the same way to the banks. Our intention originally was to protect the interests of the deposit holders but now we want to use these powers as a tool for the purpose of controlling the economy of the country. It is something much bigger. Therefore, it is no use saying: "You have it already. Why don't you use it"? They are particular provisions in the Act. If, inadvertently, I had used them, I am perfectly sure that the parties concerned would be asked to go to the court and render whatever action I

[Shri T. T. Krishnamachari]

try to take infructuous. So, I can tell this to the hon. Member. If that is so, why do you object to the Bill? I think it is not so; I have been advised it is not so and I find it is not so.

I must also at the same time express my gratitude to friends like Shri Bhagwat Jha Azad and Shri Mohiuddin for the valuable support they gave to this measure. So far as Shri Tulsidas is concerned, he did not pin-point any particular aspect of this measure. His was a general speech which could have been fitted into any occasion and I am waiting for the wisdom and light he may throw on the particular provisions of this Bill in addition to what he has indicated or rather the cards that he has placed on the Table by the amendments he has moved.

The hon. Member on that side mentioned something about the Travancore-Cochin Banking Enquiry. The report has been submitted to the Government. The consideration of that report has reached an advanced stage and I cannot say whether the decision of the Government would be made known within a particular time. We will try to do it as early as possible. Naturally, the concerned interests will have to make their representation. But, I can tell Shri Punnoose, if he will trust me, that whatever action Government will take, will be fair to all parties concerned.

So far as the provisions of the Bill are concerned, I do not think the hon. Members have made any particular reference to any particular provision. I do not think it is necessary for me to deal with them now.

Though I have asked for half-an-hour, I think I have taken barely fifteen minutes and I do not think that I will take the time of the House any more at this stage.

**Mr. Speaker:** The question is:

"That the Bill be referred to a Select Committee consisting of Pandit Thakur Das Bhargava, Shri C. P. Mathew, Shri D. C. Sharma, Shri N. C. Kasliwal, Shri Raghunath Singh, Shri K. P. Tripathi, Shri Radha Raman, Shrimati Tarkeshwari Sinha, Shri Anandchand, Shri C. P. Gidwani, Shri P. T. Thanu Pillai, Shri K. C. Wodeyar, Shri Mulchand Dube, Shri B. Ramachandra Reddi, Shri Tulsidas Kilachand, Shri M. S. Gurupadaswamy, Shri K. K. Basu, Shri H. V. Pataskar, Shri A. C. Guha, Shri T. T. Krishnamachari, and the Mover, with instructions to report on the first day of the first week of the next Session."

*The motion was negatived.*

**Mr. Speaker:** The question is:

"That the Bill further to amend the Banking Companies Act, 1949, be taken into consideration."

*The motion was adopted.*

**Clause 2.**— (*Substitution of new section for section* 10)

**Shri Tulsidas:** I beg to move:

(i) Pages 1 and 2—

*omit* lines 23 and 25 and 1 to 4 respectively.

(ii) Page 2, line 25—

*for* "salary, fees and perquisites" *substitute* "salary and fees"

(iii) Page 3, line 7—

*for* "thereon shall be final for all purposes"—

*substitute* "thereon shall be considered by the Board of Directors of the banking company; in the event of its disapproval by the Board it shall be laid before a special general meeting of the share-holders whose decision shall be final for all purposes."

(iv) Page 3, lines 6 and 7—

*for* "the decision of the Reserve Bank thereon shall be final for all purposes." *substitute*:

"and decision thereon has been taken by the Reserve Bank,

the banking company may within 30 days of the intimation of the decision of the Reserve Bank appeal to the Ministry of Finance whose decision shall be final for all purposes."

**Shri C. R. Iyyunni:** Sir, I beg to move:

Page 3—

*omit* lines 4 to 7.

My point is this. Certain powers are granted to the Reserve Bank to say whether a remuneration is excessive or not. It is said that what the Reserve Bank says is final and it should not be questioned in a court of law. It says here:

"(3) If any question arises in any particular case whether the remuneration is excessive within the meaning of sub-clause (iii) of clause (b) of sub-section (1), the decision of the Reserve Bank thereon shall be final for all purposes."

Firstly, there may not be many cases. Then, even if for any reason, the Reserve Bank comes to the conclusion that the salary is abnormal or not just or improper, the party concerned can go to the court of law. Why should he not? Why should there be a final settlement of the matter by the Reserve Bank? If the Reserve Bank does it properly, there may not be any complaint. But, if the party is aggrieved, that the decision of the Reserve Bank is not correct or just, he should have the right to go to the court. Unless there are several grounds and material for the aggrieved party to go to the court, he will not go. Why should he be prevented from doing that? I beg to submit that this sub-clause should be deleted.

**Mr. Speaker:** These amendments are before the House.

**Shri Tulsidas:** Regarding my amendment No. 7, the dispute between the employees of the banking companies and their employers in India has been a very well known affair. The settlement of the question of payment of bonus and other employment problems of the banking employees has taken no less than five to six years and still the question has not been adequately solved. The banking companies have appealed to the Supreme Court on the question of payment of bonus to the banking employees. The matter is still *sub judice*. Is the Government entitled to legislate even on a matter which is *sub judice* in some court? The words in the proviso contemplate the award, settlement or claim of a future bonus dependent upon the profits of the banking companies and in any event they are to be objected to as they would be construed by industrial courts as an authority to make such awards. In the case of industrial concerns, such awards have been made and may well be made without danger. In the case of a banking company, such a practice would be deplorable as the bank's profits are to be ascertained after providing for contingencies. On the one hand it could not be known what contingency may have to be provided for in a future year. On the other hand, it would not be advisable to allow an enquiry into it whether the provision for a contingency made by the bank's management was excessive. If the proviso is allowed to become law, it will lead to making public a number of facts which it would not be advisable from the point of view of banking companies to disclose. I may say why it is not possible to make certain facts public. As the hon. the Finance Minister knows banking companies have to make a certain amount of provision for contingencies. Now it so happens that certain advances have been made and those advances may have become bad debt. These contingencies are provided for that reason. Besides, a few years ago when the bank rate was changed and certain banks had secured their investment in government securities they had a tremendous fall in the evaluation of securities and these contingency funds which they had as secret reserves were not sufficient for the banks to meet the depreciation in government securities. In

[Shri Tulsidas]

view of that I think that this proviso should be removed and should not be incorporated until at least the Supreme Court has given a decision and then the matter may be brought up. Otherwise this will again lead to a dispute between the employers and the employees. The present dispute has continued for the past five or six years and has not been resolved. Therefore, I would suggest the deletion of the first proviso to the new section 10(1) of clause 2. I am sure the hon. Minister will pay sympathetic attention to this important problem and will be good enough to accept my amendment.

Shall I speak on the other amendments also?

**Mr. Speaker:** Yes.

**Shri Tulsidas:** My other amendments are 10, 13 or 12, relating to remuneration.

This clause seeks to empower the Reserve Bank to restrict the total remuneration available to a manager or a chief executive of a banking company. The Reserve Bank is empowered firstly to decide as to whether remuneration of a chief executive in a particular case is excessive or not. It appears that the Reserve Bank will compare the remuneration of the chief executive in private banking concerns with the remuneration available to the chief executives in the State owned banks like the State Bank of India and will bring down the total remuneration to a level obtaining in them. They may also compare their salaries with the salaries paid by foreign exchange banks who are here. It has to be realised that they are merely managers of branches here; but the remuneration they get is much higher.

**Shri T. T. Krishnamachari:** What is the amendment of the hon. Member?

**Shri Tulsidas:** I am moving 13 first and then if he does not accept it I am coming to 12. That is the alternative. I know he won't accept anyone of them. But I would like him to consider them.

As he himself pointed out, the company law provides that remuneration paid to a manager is subject to the approval of Government. He said that the Company Law administration had to deal with approving of appointment of managers under section 387. Now this provision is being brought in in the Banking Companies Law.

Now the Explanation to this proviso says:

> "For the purpose of sub-clause (iii) of clause (b), the expression "remuneration", in relation to a person employed or continued in employment, shall include salary, fees and perquisites but shall not include any allowances or other amounts paid to him for the purpose of reimbursing him in respect of the expenses actually incurred by him in the performance of his duties."

What I am objecting to is this. If he includes salaries and fees I can understand. With regard to perquisites, I would like to explain to him that the Board of a Bank has to rely on Bank Managers and Chief Executives with regard to the entire amount of the depositors' money. These people are people who have been trained for years. They have been receiving a certain amount of perquisites. Some banks give houses or flats. Then they have other perquisites. The foreign exchange banks also allow these perquisites. Now I would like to explain why it is necessary to allow such perquisites. Bank executives have to deal with representatives of foreign banks who come to them; they have to meet them, they have to entertain them.

**Shri T. T. Krishnamachari:** May I point out that there is nothing to prohibit the Reserve Bank from allowing these perquisites and treating them as remuneration. What the

Explanation does is only to give a definition of "remuneration". There is nothing to prevent the Reserve Bank from taking into account all the facts that my hon. friend mentions. I do not know what is wrong in including them, unless it be that my hon. friend says that perquisites should not come within the purview of the Reserve Bank in assessing the remuneration.

**Shri Tulsidas:** That is what exactly I am saying—perquisites should not come under the purview of the Reserve Bank.

**Shri T. T. Krishnamachari:** Why should it not? The only method by which we can check a very large area of perquisites is by bringing it under the purview of the Reserve Bank. Perquisites are taxed. The Company Law also provides for it.

**Mr. Speaker:** The hon. Minister used the word "taxed" a little out of place. All that he wants to say is that he should control perquisites.

**Shri T. T. Krishnamachari:** My hon. friend says "Oh the perquisites would be brought under the purview of the Reserve Bank." It does not mean anything. Take the case of a company, which pays Rs. 6,000 as remuneration, of which Rs. 1,500 are treated as allowances and Rs. 1,500 as perquisites. The Reserve Bank will take the entire picture.

**Shri Tulsidas:** I am only trying to explain to him.....

**Shri T. T. Krishnamachari:** He is explaining to a person who knows what the hon. Member has in mind.

**Mr. Speaker:** In no shape or form should it exceed some amount which is considered reasonable and not excessive. It may vary with the individual bank, the amount of deposits, what the bank can afford to pay and all that. But the idea is that large sums should not be allowed to be taken away as perquisites. I am not justifying it. I have no place.

15 HRS.

**Shri Tulsidas:** My amendment No. 13 is to the effect that the decision of the Reserve Bank thereon shall be considered by the Board of Directors of the banking company; in the event of its disapproval by the Board it shall be laid before a special general meeting of the share-holders whose decision shall be final for all purposes. I would like to explain that, after all, the shareholders of a bank are also interested in a person who is looking after the entire interests of the banking institution. When the Reserve Bank makes a certain observation with regard to remuneration, the shareholders will naturally accept those things. My hon. friend will say that among the shareholders there may be people controlling the shares. But I may point out that under the Companies Act, any one person cannot hold more than a certain percentage of shares in an aggregate with a banking institution. Even under the Companies Act he has to disclose the beneficiary or beneficial interest of a shareholding with a particular bank. And a person does not hold, directly or indirectly, more than a particular number of shares. Therefore, the fear of a few persons trying to dominate the shareholders' meeting is not correct. And I would say that this particular direction on the part of the Reserve Bank would be approved by the shareholders, if the board of directors do not approve it.

If that is not acceptable, I have another amendment which suggests that if decision thereon has been taken by the Reserve Bank, the banking company may within 30 days of the intimation of the decision of the Reserve Bank appeal to the Ministry of Finance whose decision shall be final for all purposes.

I have these two amendments. I do not know which he would like to accept. I think that amendment No. 13 would be more appropriate, particularly when the shareholders will be able to appreciate the point of view of

[Shri Tulsidas]

the Reserve Bank with regard to remuneration. I hope my hon. friend will accept any one of these amendments.

**Mr. Speaker:** Is there any hon. Member who has not had an opportunity of speaking and who would like to speak on this?

**Shri C. R. Iyyunni:** Opportunity should have been given earlier, not on these matters.

**Mr. Speaker:** I will finish the clauses early, and in the third reading allow opportunities to Members.

**Shri T. T. Krishnamachari:** Regarding Shri Iyyunni's amendment which, in the order, would come last, it is with reference to the proposed sub-section (3) which reads as follows:

> "If any question arises in any particular case whether the remuneration is excessive within the meaning of sub-clause (iii) of clause (b) of sub-section (1), the decision of the Reserve Bank thereon shall be final for all purposes".

But he says 'No, it should be justiciable'. He says: Whatever limit that the Reserve Bank puts, the affected party should go to a court; why should the Reserve Bank have the final say? Perfectly logical. The only trouble is this. So far as the existing sub-section 10(2)—of which this is the amendment—is concerned, that particular sub-section also says, "If any question arises in any particular case where there is a remuneration etc."—word for word it is the same thing. So, it is a provision which already exists, and therefore I do not think we are agreeable to make it justiciable.

Then, the first amendment moved by Shri Tulsidas seeks to omit lines 23 to 25 on page 1 and lines 1 to 4 on page 2, that, is the proviso. The proviso reads:

> "Provided that nothing contained in this clause shall apply to the payment of any bonus by any banking company in pursuance of a settlement or award arrived at or made under any law relating to industrial disputes or in accordance with any scheme framed by such banking company or in accordance with the usual practice prevailing in banking business".

15-04 HRS.

[PANDIT THAKUR DAS BHARGAVA *in the Chair*]

The amendment that we have made in the Bill is due to the fact that there was a doubt which was expressed whether an employee in a bank will be eligible for bonus. That is one of the matters of doubt before a court of law. But we are not attempting by means of this amendment to make this provision retrospective. If we should do so, we will be offending very deeply the proprieties in this matter. But this is because there is a doubt—we have no doubt about it in our mind. So the future is being safeguarded. I am not, therefore, prepared to admit the argument of my hon. friend that we should eliminate this proviso, in order to confirm really an impression which we never carried in our minds.

As I said already while he was speaking, we do want perquisites to be included in the scope of salaries and fees. Therefore, I am not prepared to accept his amendment with regard to perquisites.

Then, amendment No. 13 which he has moved is an extremely novel amendment. Here is a question of the Reserve Bank fixing the salary, remuneration, perquisites and other allowances, and every conceivable kind of benefit that a bank manager or executive gets in relation to the general economy of the country. And that is why the Reserve Bank acts in this matter. And my hon. friend says that it must be by means of an appeal to the board of directors, and from the board of directors they must go to the shareholders, and the shareholders' opinion must be

exercised by the proxy-holders. I am really amazed that my hon. friend should have ever thought that any sane legislature would accept an amendment of that nature. I am afraid I cannot accept it.

**Shri Tulsidas:** What about the alternative amendment?

**Shri T. T. Krishnamachari:** The alternative amendment is there. As a matter of fact, my hon. friend, if he is affected tomorrow, would write a letter to the Finance Minister. And it does not need a person to be a member of the legislature. Here I have a telegram, for instance. Of course, the powerful interests have no difficulty. Even the people who are not powerful can write to the Government and they can review the matter. We have not abdicated Government's rights in regard to this matter. Government is always open to receive any appeal, any letter asking for a review of anything. And if we feel that an injustice has occurred, naturally we will look into the matter. And I can say that so far as I am concerned, I am looking into most of these things whenever a complaint occurs,

**Mr. Chairman:** I shall now put the amendments to vote. Shall I put Mr. Iyyunni's amendment No. 41?

**Shri C. R. Iyyunni:** I do not press it.

**Mr. Chairman:** Has the hon. Member the leave of the House to withdraw his amendment, No. 41?

*The amendment was, by leave withdrawn.*

**Mr. Chairman:** I shall put amendment No. 7 of Shri Tulsidas Kilachand.

The question is:

Pages 1 and 2—

*omit* lines 23 to 25 and 1 to 4 respectively.

*The motion was negatived.*

**Mr. Chairman:** I shall now put amendment No. 10 of Shri Tulsidas Kilachand.

The question is:

Page 2, line 25—

*for* "salary, fees and perquisites" *substitute* "salary and fees".

*The motion was negatived.*

**Mr. Chairman:** I shall now put amendment No. 13 of Shri Tulsidas Kilachand.

The question is:

Page 3, line 7—

*for* "thereon shall be final for all purposes",

*sustitute* "thereon shall be considered by the Board of Directors of the banking company; in the event of its disapproval by the Board it shall be laid before a special general meeting of the shareholders whose decision shall be final for all purposes."

*The motion was negatived.*

**Mr. Chairman:** Then there is amendment No. 12.

**Shri Tulsidas:** I am not pressing it.

**Mr. Chairman:** Does the hon. Member have leave of the House to withdraw the amendment?

*The amendment was, by leave withdrawn.*

**Mr. Chairman:** There is no other amendment. I shall now put clause 2 to vote.

The question is:

"That clause 2 stand part of the Bill".

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Clause 3**—*(Substitution of new section for section 12)*

**Shri Tulsidas:** I am moving amendments Nos. 17, 18, 19, 21 and 22. I beg to move:

(i) Page 3—

*omit* lines 29 to 34.

[Shri Tulsidas]

(ii) Page 3, line 40—

*omit* "or".

(iii) Page 4—

*omit* lines 1 to 3.

(iv) Page 4, line 8—

*omit* "whether directly or indirectly".

(v) Page 4, line 12—

*omit* "general or special".

The proposed sub-section (3) provides that "Notwithstanding anything contained in any law for the time being in force or in any contract or instrument no suit or other proceeding shall be maintained against any person registered as the holder of a share in a banking company on the ground that the title to the said share vests in a person other than the registered holder".

My amendment No. 17 is to remove this proposed sub-section (3). The effect of this proviso will be to bar a beneficiary shareholder of a banking company from maintaining a suit by his title to the shares. There is no reason why the normal legal rule should be departed from in the case of shares of banking companies. It will deprive a person of his property, to which he is legally entitled. If this provision is meant for finding the true ownership of the shares, section 307 of the Companies Act contains sufficient provisions for investigating the ownership of shares in companies. I therefore feel that sub-section (3) of the proposed section 12 of the principal Act, together with part (b) of the proviso will cause unnecessary discrimination between the banking companies and other companies. Section 307 of the Companies Act gives sufficient scope to the authorities and the necessary power to detect benami holdings of shares resulting in control of directorship.

I have studied the report of the trend and progress of banking in India for several years and I do not find any serious complaints by the authorities in respect of irregularities emanating through benami holdings of shares and resulting in the control of directorship. The provisions sought here are nothing but an attempt or thirst for powers for the Government to impose another rigour of the law.

I would like to understand another aspect of this provision. I would like to point out that the banking companies also hold shares in other banking companies, as nominees of the person who holds shares. They may have some investments and they may like to hold shares in another banking company and ask another banking company to hold shares in the name of another banking company. Then what will happen? Nobody can have a suit against the banking company who holds shares on behalf of that person in another banking company. If this sub-section is retained, then the bank can immediately say that those shares belong to them and then nobody can file a suit against the banking company. There are banking companies who hold shares in other banking companies on behalf of their clients. If this proviso is there, then, automatically the person concerned has no suit against the banking company. I hope the implication has been realised in this respect.

Then, my amendment No. 18 arises in consequence of my amendment No. 17. I have tabled amendment Nos. 17 to 19 for this reason. Why should the right of the shareholder who holds a share be taken away? It is his own property even though it may be in the name of any banking company. Therefore, I would like this sub-section to be deleted, along with the other changes in the proviso which I have already mentioned.

I now come to amendment Nos. 21 and 22. Under sub-section (4), every chairman, managing director or chief executive officer of a banking company is required to furnish the Reserve Bank returns containing full particulars of the extent and value of his holding of shares, whether directly or

indirectly, in the banking company. There are sufficient powers in the hands of the Government to prevent the use of benami holding of shares in banking companies for acquiring control and direction. There is also the provision that no suit shall be maintained against a person registered as the holder of a share in a banking company. I feel that this provision is unnecessary, namely, the provision saying "directly or indirectly". It is unnecessary and meaningless. I have, therefore, asked for the deletion of the words "whether directly or indirectly" and "general or special".

Similarly, I have attempted through my amendment No. 22, as already said, the removal of the words "general or special". I have attempted to improve the position of the Reserve Bank by providing that they should pass an order to the particular bank asking for a statement of particulars about the shareholdings of their officials. It is impossible to conceive of the Reserve Bank passing a general order of this nature. I do not want the words "general or special".

**Shri T. T. Krishnamachari:** You are dealing with all the amendments?

**Shri Tulsidas:** Yes; If you want me to deal with them one by one, I do not mind it.

**Shri T. T. Krishnamachari** You are dealing with No. 22 now. I am prepared to accept amendment Nos. 22, 24 and 25.

**Shri Tulsidas:** What about the amendment No. 27? I think you should accept that also.

**Shri T. T. Krishnamachari:** I said I accept amendment Nos. 22, 24 and 25.

**Shri Tulsidas:** With regard to amendment No. 21, my difficulty is with regard to the words "directly or indirectly".

**Shri T. T. Krishnamachari:** You have finished No. 21. You may pass on to No. 22.

**Shri Tulsidas:** For clause 3, my amendments are up to 22 only.

**Mr. Chairman:** Amendment Nos. 23 to 27 are to clause 4. For clause 3, there are no amendments beyond amendment No. 22.

**Shri Tulsidas:** Amendment No. 22 is to clause 3.

**Shri T. T. Krishnamachari:** The other ones are to clause 4. I said I am prepared to accept all the three.

**Mr. Chairman:** The hon. Member has moved amendments to clause 3 and not to clause 4.

**Shri T. T. Krishnamachari:** The clause under discussion is No. 3. The amendments which, I said, I would accept are Nos. 22, 24 and 25—No. 22 to clause 3, and Nos. 24 and 25 to clause 4. I am sorry I should not have mentioned it before the clause is discussed, but they are more or less consequential.

**Mr. Chairman:** Am I to understand that the hon. Member has moved all his amendments to clause 3—Nos. 17, 18, 19, 21 and 22?

**Shri Tulsidas:** Yes.

**Mr. Chairman:** Amendments moved:

(i) Page 3—

*omit* lines 29 to 34.

(ii) Page 3, line 40—

*omit* "or"

(iii) Page 4—

*omit* lines 1 to 3.

(iv) Page 4, line 8—

*omit* "whether directly or indirectly"

(v) Page 4, line 12—

*omit* "general or special"

**Shri T. T. Krishnamachari:** The first in this series of amendments is No. 17. The hon. Member wants to omit lines 29 to 34. These relate to the proposed sub-section (3) which reads as follows:

> "Notwithstanding anything contained in any law for the time being in force or in any contract or instrument no suit or other

[Shri T. T. Krishnamachari]

proceeding shall be maintained against any person registered as the holder of a share in a banking company on the ground that the title to the said share vests in a person other than the registered holder".

This is an attempt to deal with benami holdings. My hon. friend does not like it. We want to deal with benami holdings in this way. That is why we want a provision. It is fairly clear.

**Shri Tulsidas:** I have explained that benami holdings can be dealt with under the Companies Act. There is no difficulty.

**Shri T. T. Krishnamachari:** The thing is this. If it is already there, why should the hon. Member object to this provision here? If he finds that it is already there, he cannot object to it.

**Shri Tulsidas:** The point of mine is this.

**Shri T. T. Krishnamachari:** I have not got second sight. Somehow, I am able to read the hon. Member's mind so easily.

**Shri Tulsidas:** You may be able to read it. But I am afraid the hon. Minister does not understand another aspect of it. I just now mentioned that the banking company can also hold shares on behalf of his clients in another banking company. What will happen to that?

**Shri T. T. Krishnamachari:** It should not do it. That is all. If it is really a question of benami holding—

**Shri Tulsidas:** It is not a question of benami holding. It is a question of genuine holding.

**Shri T. T. Krishnamachari:** The position so far as this is concerned is this. The illegality of the possession can be remedied by the shares being re-transferred to the person who owns.

**Mr. Chairman:** It is not quite clear. Does not the last sentence say: "on the ground that the title to the said share vests in a person other than the registered holder"? It only relates to benami.

**Shri Tulsidas:** A banking company can hold shares in another banking company, who is a registered shareholder. Suppose Bank A holds shares in Bank B, on behalf of a person who is a client. Then, as it is, the client has no right on Bank A. Then what will happen?

**Shri T. T. Krishnamachari:** Either the bank holds it as an agent or it holds it in its own name. The whole position has got to be made clear. Where it is a subject-matter of legal proceedings, I really cannot understand what the hon. Member says.

In the case of minors and lunatics mentioned in sub-section (3)(b), I am afraid the position must be safeguarded in regard to anybody who holds shares on behalf of minors and lunatics.

The other amendment is that a bank should not get any information whether directly or indirectly. These words "directly or indirectly" occur in line 8 on page 4. The sub-section reads like this:

> "Every chairman, managing director or chief executive officer by whatever name called of a banking company shall furnish to the Reserve Bank through that banking company returns containing full particulars of the extent and value of his holding shares, whether directly or indirectly," etc.

The hon. Member says this should not be there. Actually, the holding of all such shares is tied up to this benami holding. Therefore, I cannot accept it.

I shall accept amendment No. 22. I realise the force of his argument that in all these cases, action must

be taken singly and not generally. Therefore, I accept this amendment, No. 22.

**Mr. Chairman:** No other amendments are being moved.

The question is:

Page 3—

*omit* lines 29 to 34.

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 3—

line 40, *omit* "or".

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 4—

*omit* lines 1 to 3.

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 4, line 8—

omit "whether directly or indirectly".

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 4, line 12—

*omit* "general or special".

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clause 3, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 3, as amended, was added to the Bill.*

**Clause 4.**— (*Insertion of new section 12A*).

**Shri T. T. Krishnamachari:** I will accept amendments Nos. 24 and 25. The hon. Member may speak.

**Shri Tulsidas:** I beg to move:

(1) Page 4, line 16—

*omit* "general or special".

(2) Page 4—

(i) line 17—

*omit* "banking companies generally or".

(ii) line 18—

*omit* "in particular".

(3) Page 4, line 24—

*for* "the order" *substitute*:

"the order; at such meeting all the directors, or the director or directors named by the Reserve Bank, as the case may be, shall retire from office but shall be eligible for re-election".

(4) Page 4, line 28—

*after* "Any election" *insert* "duly".

I am not speaking on amendments 24 and 25. I will speak on amendments 26 and 27. It is said here:

"The Reserve Bank may, by general or special order, require banking companies generally or any banking company in particular to call a general meeting of the shareholders of the company within such time, not less than two months from the date of the order, as may be specified in the order or within such further time as the Reserve Bank may allow in this behalf, to elect in accordance with the voting rights permissible under this Act fresh directors, and the banking company shall be bound to comply with the order."

I want to add these words:

"at such meeting all the directors, or the director or directors named by the Reserve Bank, as the case may be, shall retire from office but shall be eligible for re-election."

If the election of directors is there, these people retire and they may not

[Shri Tulsidas]

be elected. Some of the directors may be eligible for re-election. You are taking away the whole power. You may be against one or two directors. There is the entire board. I would say that some of the directors should be eligible for re-election. That is what I want to say in this amendment No. 26.

As regards amendment No. 27. the wording here is, "Any election held....". It should be "duly held". Under this clause. an election shall not be called in question. It should be 'election duly held'. These are the two amendments. One relates to the language and the other one regarding directors that the Reserve Bank may not like to go out. They should be eligible for re-election.

**Mr. Chairman:** These amendments are now before the House.

**Shri T. T. Krishnamachari:** So far as amendment No. 26 is concerned. there is nothing in the Amending Bill to prevent them from standing for election. I do not want any doubt to be there on that question. I will accept amendment No. 27.

**Mr. Chairman:** No other amendment is being moved. The question is:

Page 4, line 16—

*omit* "general or special".

*The motion was adopted.*

**Mr. Chairman:** The question is:

Page 4—

(i) line 17, *omit* "banking companies generally or".

(ii) line 18, *omit* "in particular".

*The motion was adopted.*

**Mr. Chairman:** Amendment No. 26.

**Shri Tulsidas:** It is all right. If he says that they are eligible for re-election. I have no objection.

**Mr. Chairman:** So, he wants to withdraw?

**Shri Tulsidas:** Yes.

*The amendment was. by leave. withdrawn.*

**Mr. Chairman:** The question is:

Page 4, line 28—

*after* "Any election" *insert* "duly".

*The motion was adopted.*

**Mr. Chairman:** The question is:

"That clause 4, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 4, as amended, was added to the Bill.*

*Clause 5 was added to the Bill.*

**Clause 6.**— *Amendment of section 27.*

**Shri Tulsidas:** I beg to move:

Page 5, lines 19 to 21—

*for* "or affairs of the banking company (including any business or affairs with which such banking company is concerned)" *substitute* "of the banking company".

This clause seeks to empower the Reserve Bank to call upon banking companies to furnish statements and information relating to the business or affairs of the banking company. This provision also affects others such as the large number of depositors and clients. The words 'affairs of the banking company (including any business or affairs with which such banking company is concerned)' empower the Reserve Bank to include in it the affairs of the clients and other private parties with whom the banking concern may be dealing. I really cannot see how this provision justifies the intention of the Government in setting things right as regards the banking concern. Do the Government desire to intrude into the affairs of private parties by the backdoor by asking the banking concern to provide information as regards the business relations as between the bank and its clients? According to the

Statement of Objects and Reasons, Government do not have this intention. If it is so, they should accept amendment No. 28 which will provide for the Reserve Bank power to enquire about the business and at the same time deny opportunities to go into the affairs of the clients and other parties dealing with the banking concern.

You know very well that a banking company is a matter of trust between the bank and the clients. It is not proper that the trust which a client puts in the bank should be disclosed to anybody else. I know well in a particular case,—I am talking of some time ago—this independence was shown. It was concerning a bank in a former Indian State. An official of the State, being a director of the bank, wanted that the accounts of a particular client should be shown to the directors. I had particularly at that time enquired whether it is the legal right of a director to go into the affairs of a client. The directors have a right to go into the affairs of the bank or particular policies with regard to the grant of loans and advances given to a particular client. To go into all the accounts of the clients is a breach of trust as between the client and the bank. I do not think that the intention of the Government is to go behind and see the client's accounts, private parties' accounts by this method. It that is not the intention, they should accept this amendment. They will have power to get all information with regard to the banking company. Why go further than that? That is why I say the affairs of the parties should not be brought into purview here. I hope I have made myself clear.

**Shri T. T. Krishnamachari:** I have explained when I was moving this motion yesterday, the scope of clause 6. The position is, that it is not a question of our wanting the affairs of clients to be known to all and sundry. Here is a bankers' bank which is inspecting the bank and wanting certain information. After all, the present position under section 27 is that they are not prepared to divulge the nature of the parties, information about the parties.

**Shri Tulsidas:** They are bound to.

**Shri T. T. Krishnamachari:** In fact, it is actually impossible. Supposing there is an account which the bank says is good and the Reserve Bank has all the information in its possession to say that it is not even doubtful. but it is bad. It might be of the order of about Rs. 20 to Rs. 25 lakhs which will tilt the scales in favour or against the soundness of the banking company. I think surely the Reserve Bank must have the power to know who the party is and to assess whether the party is sound, whether the balance-sheet as disclosed is a correct one. If they had put in really unsound accounts as being not even doubtful but good, then the total amount of assets that will be realisable that will make the bank safe is a thing they will not know. As a matter of fact, in actual practice we have found it is not possible to get adequate information so as to assess how the bank is being run and the worth of the bank. I am afraid if this thing is taken away, very possibly some of the provisions that we have put in, the structure which we want to build up so that the Reserve Bank would be able to know what each bank is doing and therefore act, all that would be rendered infructuous.

**Mr. Chairman:** The question is:

Page 5, lines 19 to 21—

*for* "or affairs of the banking company (including any business or affairs with which such banking company is concerned)" *substitute* "of the banking company".

*The motion was negatived.*

**Mr. Chairman:** The question is:

"That clause 6 stand part of the Bill".

*The motion was adopted.*

*Clause 6 was added to the Bill.*

**Clause 7.**—*(Insertion of new sections 35A and 35B).*

**Shri T. T. Krishnamachari:** I beg to move:

(i) Page 5, line 35—

*for* "the banking" *substitute* "any banking".

(ii) Page 6, line 8—

*after* "re-appointment" *insert* "or remuneration".

(iii) Page 6, line 21—

*for* "Nothing contained in section 268 or section 269" *substitute*:

"Nothing contained in sections 268, 269, 310, 311 and 388 (in so far as section 388 makes the provisions of sections 310 and 311 apply in relation to the manager of a company)".

(iv) Page 6, line 30—

*for* "section" *substitute* "subsection".

**Shri Tulsidas:** I beg to move:

(i) Page 5, lines 37 and 38—

*omit* "banking companies generally or to".

(ii) Page 5, line 38—

*for* "banking company in particular" *substitute* "banking company".

(iii) Page 5, line 40—

*omit* "the banking companies or".

(iv) Page 5, lines 40 and 41—

*omit* "as the case may be".

**Mr. Chairman:** These amendments are before the House.

**Shri Tulsidas:** The powers given to the Reserve Bank under this clause are not only wide and ambiguous looking to the objectives for which such directions may be issued by it to the banking companies. I welcome amendment No. 1 of the hon. Finance Minister in this connection. However, I feel that these wide and arbitrary powers to the Reserve Bank under this clause will impair the trust and confidence of the general public with regard to the autonomous status of the banking concerns. If we read this clause along with the provisions of clause 6 and other clauses, it is clear that the banking concerns will become almost stooges of the Reserve Bank, they will become the agencies of the Government and the Reserve Bank, and will be deprived of their autonomy of internal administration.

As you know, Sir, progress of banking largely depends on the confidence of the general public in banking concerns. This confidence is a phychological phenomenon depending on the action and reaction of the human material which goes into the working of this concern. I have always maintained on the floor of this House that the provisions of any law, however prefect it may be, have always a limited effect if it is to be useful to the general community. Whatever may be the powers in the armoury of the law, if the human element which is to carry through the processes of work connected with the developmental activities in economic life feels doubtful about its place and position in the scheme of things, it would be difficult for the Government to ensure the compliance of the requirements and expectations both in letter and spirit even though the law may give them the power to direct human activities in a particular direction. The Government can ignore basic psychological aspects only to the detriment of general standards in economic life which would inevitably fall as a result of their over-zealousness to make the law rigorous. What I have said about the psychological factor is largely true in respect of banking because if a feeling gains ground in the public mind that banks have no autonomy in their day to day affairs, that they are subject to intensive control by governmental authorities, the public confidence will receive a setback and this will react adversely in the further progress of banking in this country.

Amendment 32 is about banking companies generally. I am again saying here that if they want the power to issue directions to one particular bank, let them not use it generally.

**Shri T. T. Krishnamachari:** The same thing. Consequential.

**Shri Tulsidas:** It is the same thing.

The hon. Minister has already accepted a few amendments which were of a general nature. These are consequential, and I hope all these amendments will be accepted by the hon. Minister.

**Shri N. R. Muniswamy:** I have not moved any amendment, but I oppose some of the main amendments sought to be introduced in the Bill.

The proposed section 35B(1) states that revision in the terms of appointment or re-appointment of a managing director or director will not be valid unless approved by the Reserve Bank, and with regard to new appointments or re-appointments of managing directors, manager or chief executive officer the previous approval of the Reserve Bank is necessary. I am opposing this because such a provision requiring the previous sanction or approval of the Reserve Bank for the appointment of a managing director etc., violates basic democratic principles. It looks as though the power of veto is vested with the Reserve Bank without any corresponding responsibility or liability. Ordinarily, the Reserve Bank is given wide powers and it can certainly exercise them. Ordinarily the directors are responsible to the shareholders or depositors—not the Reserve Bank. So, if the Reserve Bank is given such wide powers of veto over appointment, reappointment, remuneration etc., it would mean that the moral or legal responsibility is vested with one quarter, namely the directors, while the power of veto is vested in some other quarter, namely the Reserve Bank. There will be two different masters. The Reserve Bank should only supervise and see that money is not mismanaged, that no misfeasance or malfeasance takes place. I do not find any basic principles relying on which we can vest these powers in the Reserve Bank. The vesting of these powers should ordinarily be only in the interests of the bank, or to see that the national interests or the interests of the depositors are safeguarded. I would therefore request the Finance Minister to at least throw some light as to why this principle is violated that no responsibility is added to the Reserve Bank while giving this additional power.

I request that this proposed section 35B(1) may be withdrawn, and the rest put to vote.

**Shri N. C. Chatterjee** (Hooghly): It would have been much better, possibly more straight forward, to nationalise banking completely than to have such wide and expansive powers as are given in the proposed section 35A. Just look at the powers:

> "Where the Reserve Bank is satisfied that—
>
> (a) in the national interest; or
>
> (b) to prevent the affairs of of any banking company being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the banking company; or
>
> (c) to secure the proper management of the banking company generally;
>
> it is necessary to issue directions to banking companies generally or to any banking company in particular, it may, from time to time, issue such directions as it deems fit....."

The Reserve Bank, so far as I know, has continued power of inspection and control of banks which

[Shri N. C. Chatterjee]

has been fully utilised. Indeed, in the annual reports of the Reserve Bank it has been stated more than once that the general administration of banking companies in India has considerably improved, and where there was need for stricter control over the affairs of a bank, considerable conditions were imposed, and so far as we know, there has been no difficulty created. The reports of the Reserve Bank do not indicate that they suffer from any lack of authority or power to act, and act properly, and to control undesirable trends in banking policies in India. Therefore, we are objecting to the vesting with such wide, and, if I may also say, uncanalised power.

Of course, you know as a member of the legal profession that these words 'in the national interest' convey very little. Then, we have the words:

> "to prevent the affairs of any company being conducted in a manner detrimental to the interests of the depositors.....".

So, it is really giving them a blank cheque to issue any directions to banking companies generally or to any banking company in particular. I think there is some force in Shri Tulsidas's suggestion. If the hon. Minister will pay some attention to it, it may be that the possible scope of the mischief may be restricted. Take power in a particular case; if a particular banking company is misbehaving or thwarting or non-co-operating or not acting according to your wishes, then you can issue directives and those directives shall be binding, and, therefore, they will have a statutory effect. But why do you take such very wide and extensive powers which may cripple the initiative and which may treat them as if they are disqualified proprietors, as if they ought to be under a court of wards, as if they have misbehaved so badly that they do not deserve to function; if so, take power, nationalise them thoroughly, weed them out completely, wipe them out from the private sector, and do as you have acted in the case of life insurance companies.

There is also considerable force in what my hon. friend has just now observed. What is this power that you are taking?

> "No appointment or re-appointment of a managing or whole-time director, manager or chief executive officer by whatever name called, shall have effect unless such appointment or re-appointment is made with the previous approval of the Reserve Bank.".

Now, the directors or the trustees are elected; therefore, they have got some sense of responsibility. They are clothed with statutory powers and responsibilities, and, therefore, they are liable. Am I to understand that really you cannot appoint any whole-time director unless you get the approval of the Reserve Bank? After all, it means the approval of only one official of the Reserve Bank. Is that a proper check? Are you not tightening the screw too much? It so happened, of course, that no Select Committee could be appointed to go into this question. Therefore, it is very difficult, because we cannot get the real facts, to know how far the situation demands such very wide powers to be conferred on the Reserve Bank.

This will mean that the banking companies to a large extent will be paralysed and will be bereft of the sense of responsibility which should be entrusted to them; and too many fetters and too many curbs on the day-to-day working and functioning of banks will make their operations difficult. I do not know how it will react on the banking world, but, surely, no respectable bank with any amount of self-respect, which has not misbehaved in the past and which has had some reputation, which has served the public well and which has never betrayed the depositors or its

constituents, would agree to these powers being conferred on the Reserve Bank; those banks will certainly mind this kind of power being given to the Reserve Bank whereby the Reserve Bank can say, cut down this salary, cut down this appointment, and so on. Vetoing power is always treated with a good deal of resentment by the private sector.

As my hon. friend has pointed out,—and there is a good deal of force in what he said—this specialised mechanism of banking flourishes on trust and credit. Therefore, that mechanism should not be tampered with too frequently, especially at the direction of outside agencies which may imperil initiative and destroy the creditworthiness of bank.

**Shri U. M. Trivedi** (Chittor): There is great force in the opposition to this provision in clause 7. Unfortunately, the halting process of nationalisation is responsible for this motley of thinking.

Under proposed section 35-B (1) (a) no amendment of any provision relating to the appointment or reappointment of a managing or whole-time director or of a director not liable to retire by rotation or of a manager or a chief executive officer by whatever name called, shall have effect unless approved by the Reserve Bank. In this, provision has already been made that if you make any amendment of that nature, it must be approved by the Reserve Bank. That means that once you have agreed to the method to be adopted in getting this recruitment done or in making any amending provision of that nature, it will have to be approved by the Reserve Bank. Once that is done, I see no justification whatsoever for the provision in sub-section (1) (b) which says that even if such an appointment is made after the amendment of the rules or even before the amendment of the rules, under the rules as they stand, such appointment will not have effect without the previous approval of the Reserve Bank.

How is this previous approval to be sought for? In other words, you are opening the door to corruption, jobbery, nepotism and grafting. Who will give this previous approval? Are we going to know, or for the matter of that, is anybody going to know which candidates have applied, who will be selected, and how they will be approved? In other words, if certain candidates are selected who are of an exceptional merit, but who do not suit the taste of the Government in power or of the party in power who are the ultimate controlling authority over the Reserve Bank, they will simply veto it, saying, 'We do not agree to the appointment of these men.'. Already, we are having this blanket power in the case of appointment of certain persons in Government service. Although on paper it is written that for purposes of appointment in Government service, caste, class, creed, race and religion will not count at all, yet it is an every-day affair that a man with a little tinge attached to him of a particular party is being refused appiontment. If he is honest enough to admit that he belongs to a particular party or that he had at any time belonged to a particular party, he will be told, 'All right, we will not have you'. If he is dishonest enough to secrete that fact....

**Shri N. C. Chatterjee:** Or, he can join the Congress.

**Shri U. M. Trivedi:** ....and get appointed, then immediately his antecedents are called for, and after verification, he is told 'You hid this fact from us that you belonged to such and such a party. So, it is not because that you belonged to that party that we do not want to give you this appointment, but because you hid this fact from us. Therefore, you go out'. So to begin with, if he says that he belonged to such and such a party, he will not get a job. Similarly, if he hides the fact first and later on it is found that he had belonged to a particular party, he will not get the job because he had hidden the fact. If that is the operation which is going

[Shri U. M. Trivedi]

on today in the day-to-day administration, it stands to reason that when such big appointments are concerned, that is, appointments in a banking concern, such as the appointment of a director or manager or a chief executive officer, which are all important appointments, which carry high salaries and big responsibilities, and are key appointments, they will be made at the sweet will of Government, and everyone who counts for anything will have to know to the wishes of the Government of the day; they will have to become mere sycophants, and they will have to be of that temperament only.

Therefore, my contention is that in this democratic form of government, either you decide once and for all that you will nationalise all the banking companies and make a clean slate of the whole picture saying that you do not want to have them, or do not take such wide powers as these. Otherwise, there is absolutely no justification whatsoever for conferring these powers on the Reserve Bank. Even with the best of intentions, this clause is going to hit hard the people who are ultimately going to be recruited.

Now, leave aside, for the moment, the case of the director. A director will, of course, be an elected person, yet his choice is left in the hands of the Reserve Bank; even if he is elected by the shareholders, the Reserve Bank may not accept it. In the case of a manager, however, the position is different; he is a man of particular qualifications, and he is chosen because of those qualifications. If, in spite of these qualifications, he is told, 'All right, we do not approve of your choice', there is no provision whatsoever for any reasons to be recorded in writing why the Reserve Bank refuse to give their approval to the appointment of that man. It is an absolutely clean power that has been given to the Reserve Bank; a clean slate has been given to the Reserve Bank that they may not approve. There are no reasons whatsoever to be recorded in writing.

In this very clause, if there were a provision to the effect that no one who has become an insolvent or who has entered into composition with his creditors will be allowed to become a director, that would have been welcome; we could have appreciated it. Similarly, if a man has been convicted of moral turpitude, we could have provided that he will not be allowed to become a director. We could have appreciated such a provision. But there is no provision here to the effect that the Reserve Bank while acting under this provision will record any reasons for not approving of the choice.

The absolute power that is given is resented, and I hope the Finance Minister will see his way to delete this provision completely from this Bill.

Then in 35A, it said: "Where the Reserve Bank is *satisfied*...." You know very well that at the time of the discussion of the Preventive Detention Bill, this was the very word, 'satisfied' over which we had the greatest fight. 'Satisfied' means whose satisfaction?

**Shri N. C. Chatterjee:** Subjective satisfaction.

**Shri U. M. Trivedi:** It is subjective satisfaction.

**Shri N. R. Muniswamy:** What is the standard of satisfaction?

**Shri N. C. Chatterjee:** Will and pleasure.

**Shri U. M. Trivedi:** How is it to be satisfied? If it had been said: "Where the Reserve Bank is satisfied on reasonable ground', then there it would have been something. But here the power is given to the Reserve Bank to be satisfied, and to decide that it is satisfied. Everything will be in the dark. The provision is of such a nature that under the guise of this word, things may be done in a concealed way. It may be *mala fide* satisfaction, may be satisfaction for a concealed object and may not be easy of detection.

Then this power is being given in the 'national interest'. 'National interest' is the vaguest of terms. Everything is in 'national interest'. Even taking away is in 'national interest'. If it had been said 'Whenever the Reserve Bank so desires, they could take over the management of a banking company, that would have been fine and I could have understood it. I would rather support that position. But here the position is pregnant with the difficulties that are there, bribery, corruption and other various nefarious things which may be underlying the whole object.

Perhaps the Finance Minister may be a very honest man. He is an honest man. But the difficulty is that we will not be able to have the same Finance Minister and the same party in power, and we do not know what will happen next.

Under these circumstances, giving this power to persons who will not be motivated by *bona fide* purposes is not a desirable thing. It is not a desirable power that is contemplated to be given.

**Shri Tek Chand** (Ambala-Simla): *rose—*

**Mr. Chairman:** We have already spent too much time on this. It is now ten minutes to 16-00 hours. We propose to dispose of this Bill by 16-30 hours.

**Shri Tek Chand:** The Speaker was kind enough to give some sort of assurance that those who could not get an opportunity earlier would be given one at this stage.

**Mr. Chairman:** The difficulty is that now only a few minutes are left.

**Shri Tek Chand:** I shall be grateful if a few minutes are given to me.

**Mr. Chairman:** If there is time left at the third reading stage, I shall certainly give the hon. Member a chance.

**Shri Tek Chand:** A few minutes may be given now.

**Mr. Chairman:** All right.

**Shri Tek Chand:** With the spirit underlying this measure, I am in agreement, but about the soundness of the specific provisions, I feel a little sceptical.

This is a measure well conceived, but in its execution, it may create difficulties and in some of its consequences, it may turn out to be disastrous. Therefore, it would have been better if the matter had been referred to a Select Committee who would have examined it clause by clause and would have been in a position to suggest to the Government the shape and form it should take, preserving the intent and the purpose that it has got.

Banks are brittle like glass and they deserve the caption, 'To be handled with care'.

**Shri T. T. Krishnamachari:** We put them in cotton wool.

**Shri Tek Chand:** So far as banking concerns are concerned, I do feel that the interests of the depositors and the interests of the shareholders have to be safeguarded at the hands of those who are responsible for conducting the affairs of the banks. These are propositions well known, to which I subscribe with all the power at my command. But I feel that the Reserve Bank, whereas it deserves to be adequately armed, ought to be armed with protective armour rather than destructive armour. That is to say, the object should be that the Reserve Bank retains the power whereby the banking companies should be permitted to grow, should be permitted to become strong and should be nursed up in a climate of confidence. Any other attempt, whereby the Reserve Bank may be in a position to stifle the banks and create panic among the investing public, will be detrimental to the banking principle and banking practice as such. With these remarks, I wish to invite the pointed attention of the hon. Minister to clause 7.

[Shri Tek Chand]

The first thing is the expression, 'Where the Reserve Bank is satisfied that in the national interest....'. I feel that in retaining the word 'national', the hon. Minister has not reserved for himself adequate power. He would have had adequate power if the word 'public' had been used, because national interest is a rare eventuality when interference is called for but public interest is a matter where he may be able to interfere, oftener, and to better effect.

Then in sub-clause (1)(b), I do not understand the retention of two words with similar meaning.

> "Where the Reserve Bank is satisfied that to prevent the affairs of any banking company being conducted in a manner *detrimental* to the interests of the depositors or in a manner *prejudicial* to the interests of the banking company".

The well-known canon of interpretation of statutes is that when two different words are used, they are intended to carry different meaning. To my mind, the retention of the word 'deterimental' would have been beneficial and the word 'prejudicial' ought not to have been there. The word 'detrimental' ought to have governed the interest of depositors as well as the interest of the banking company. I do not see any point in saying that the Reserve Bank will issue the necessary directives if it entertains any apprehension that the conduct of the affairs of the banking company is going to be detrimental to the interest of the depositors but not if it is detrimental to the interest of the banking company. It is contradiction in terms. Therefore, it is highly desirable that the language should be precisely examined so that it may be accurately used at a later stage.

Then I come to item (c), which says:

> "Where the Reserve Bank is satisfied that to secure the proper management of the banking company generally, it is necessary to issue directions to banking companies generally or to any banking company in particular, it may, from time to time, issue such directions as it deems fit, and the banking companies or the banking company, as the case may be bound to comply with such directions."

**16 hrs.**

The same object could be carried out if the language had been different and the words 'directions' or 'directives' are a little too vague. Is it in the nature of a mandate which is obligatory or is it in the nature of a directive, the disobedience to which does not incur any serious consequences? But assuming from the intent of the language used that it is of a mandatory nature and amounts to substantial interference according to the ideas of the Reserve Bank, then I wish that at least there should have been a provision of the nature of a "show cause" provision, that is to say, before any directive of this character is issued which substantially interferes with the banking practice. The banking companies generally or a particular banking company might at least be given an opportunity in order to show cause why a directive ought not be there. Once the direction is issued and it is then decided to vary it, then of course, it will be open to the banking company to make a representation. A provision ought to have been there that a representation could be made before it was finally decided to issue those directions. Therefore, to my mind there is a lacuna; there should have been a provision whereby it should have been open to the banking company concerned to make a suggestion or to give its explanation or to satisfy the Reserve Bank that the directive of the nature contemplated ought not to be there. The expression "Where the Reserve Bank is satisfied" relates to the subjective satisfaction of the Reserve Bank.....

**Shri T. T. Krishnamachari:** The hon. Member is still in the early stages of the particular clause. I am afraid that by the time he finishes it will be 4-30.

**Mr. Chairman:** I request the hon. Member to conclude as early as possible; he wanted only 2 minutes and he has taken about 10 minutes.

**Shri Tek Chand:** Very good, Sir. I submit that if it is the desire that even a little beam of light that might be directed should be screened off, I am willing to conclude in a second and I submit that it is very much better to examine the provisions more carefully, closely and with circumspection rather to bring in amendments later when substantial damage has been done to the very cause which it is intended by this very Bill to serve.

**Shri T. T. Krishnamachari:** So far as Shri Tulsidas's amendment Nos. 32, 33, 35 and 36, are concerned they are not on all fours with the amendments that I have accepted in regard to clauses 3 and 4. Two separate phrases are being used, i.e. 'banking company' and 'banking companies'; I mentioned yesterday that I* deliberately used them when dealing with particular section. There were certain instances where we could not deal with a particular act of a bank, namely when they declare a dividend under section 36. This section does not permit the Reserve Bank to take action; there are other practices; there was also another case in which the position was different. The question was about certain advances about which we had to ask them not to do it. These things are done. If it is actually a matter where a single company is concerned, the notice will issue. If a number of cases are covered then it will be a general direction and the banks are not affected or completely unconcerned about it. I do not think I am in a position to accept Shri Tulsidas's remuneration".

In general criticism of this particular clause, I am glad that we had the benefit and the wisdom of three distinguished members of the legal profession; it may be that it started with melodrama and ended with semantics. I am glad they have not chosen to give their advice on this particular clause. It is undoubtedly the crux of the whole scheme; it is this clause which is the most important one and naturally it has drawn the attention of the lawyers. Of course, we are taking powers. I do not deny it. The question is whether this Bill should be modified according to the advice given by the distinguished members of the legal profession such as my hon. friend, Shri Tek Chand or the whole thing should be just as it is and not be touched. If you do that, to use if I may borrow the language used by my hon. friend "the heavens would fall", that kind of melodramatic approach is all right; sometimes a lawyer has no brief and he talks for a long time and melodrama is useful if started at a high pitch and so you throw up your voice, so that people think that something very big and something which is a tragedy is being enacted; you have got to portray it. This, I am afraid, is something which does not require any reply. I do not think the hon. Members require them, because I find that they have gone away and are not in their seats. The clause is a good one and it is the crux of the whole scheme of amendments and it should be there.

**Mr. Chairman:** The question is:

Page 5, line 35—

*for* "the banking" *substitute* "any banking".

*The motion was adopted.*

**Mr. Chairman:** The question is:

Page 6, line 8—

*after* "re-appointment" insert "or *(remuneration".)*

*The motion was adopted.*

**Mr. Chairman:** The question is:

Page 6, line 21—

*for* "Nothing contained in section 268 or section 269" *substitute*:

"Nothing contained in sections 268, 269, 310, 311 and 388 (in so far as section 388 makes the provisions of sections 310 and 311 apply in relation to the manager of a company)".

*The motion was adopted.*

**Mr. Chairman:** The question is:

Page 6, line 30—

*for* "section" *substitute* "sub-section".

*The motion was adopted.*

**Mr. Chairman:** Does Shri Tulsidas want me to put his amendments?

**Shri Tulsidas:** Yes, Sir.

**Mr. Chairman:** The question is:

Page 5—

lines 37 and 38—

*omit* "banking companies generally or to".

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 5, line 38—

*for* "banking Company in particular" *substitute* "banking company".

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 5, line 40—

*omit* "the banking companies or".

*The motion was negatived.*

**Mr. Chairman:** The question is:

Page 5, lines 40 and 41—

*omit* "as the case may be".

*The motion was negatived.*

**Mr. Chairman:** The question is:

"That clause 7, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 7, as amended, was added to the Bill.*

**Clause 8.— (*Amendment of section 36*).**

**Shri Tulsidas:** I beg to move:

Page 7—

*Omit* lines 3 to 19.

This is also one of the very important amendments to section 36. My hon. friend did not accept my amendment Nos. 32, 33, 35 and 36 and under section 36 he takes extraordinary powers. Sub-clauses (ii), (iii) and (iv) clothe the Government with such arbitrary powers and I consider it is most novel and I do not think that any country has got these special powers. On the one hand the banking companies' directors are responsible to the shareholders and to the depositors and on the other hand the Reserve Bank has got the right to depute one or more observers to report on the conduct of the affairs of a banking company. The meeting of the Board of directors takes place where the affairs of different clients are discussed and so on and so forth. Now there is going to be an observer on behalf of the Reserve Bank for every bank. The hon. Minister has not accepted my amendments and he is going to have section 36 applied to every bank. Under this, he can send officers to every bank and require the Board of Directors of the banking company or any committee or any other body constituted by it to give in writing to any officer specified by the Reserve Bank in this behalf at his usual address all notices of, and other communications relating to, any meeting of the Board, committee or other body constituted by it. Look at the powers that they take. I can understand if it was meant for any particular purpose or any particular case.

But here they take the powers for everybody. The clause says—

> "appoint one or more of its officers to observe the manner in which the affairs of the banking company or of its offices or branches are being conducted and make a report thereon;"

The power has been taken to such an extent that it will do more harm than good to the banking structure of this country. As I said, there is a human element. Just as in banking companies, there may be officers also in the Reserve Bank who may be inclined to utilise these powers in a manner which will do harm to the banking structure of this country. I cannot understand why these powers are taken and I do not see any reason for their taking these powers. In the first speech which I made on this measure, I said that the Reserve Bank has utilised some of these powers, of supervision, etc., in a manner, for which they have been able to make amends. Why do they want to have these powers in the hands of these officers? How will they, these officers, administer them? I do not know how they are going to administer the powers. No matter what the hon. Finance Minister says, —he says he will look into it most carefully, and see that the power is not used in a manner which will harm the interests of the banking companies—my fear is that the Minister is not really considering the question from the point of view we are putting. In our opinion it is bound to harm the whole banking structure of the country in a very bad way. I am sure my hon. friend, the Finance Minister, will consider this aspect and accept my amendment No. 39.

**Mr. Chairman:** Amendment moved:

Page 7—

*omit* lines 3 to 19.

Is amendment No. 40 going to be moved?

**Shri C. R. Iyyunni:** I do not want to move it, Sir.

**Shri Ramachandra Reddi** (Nellore): I shall be very brief. I get my chance very rarely to speak.

I wish to point out to the hon. Finance Minister that having taken power, under clause 7 or section 35B of the Act, to appoint every possible officer in the bank and also in an indirect way to supervise the entire system of the working of the bank, it seems to be extraordinary for the Government to think of having further powers under clause 8. Clause 8 speaks of deputing one or more of its officers to watch the proceedings at any meeting of the Board of Directors, requiring the Board of Directors to give in writing to any officer specified by the Reserve Bank all notices and other communications relating to any meeting of the Board, appointing one or more of its officers to observe the manner in which the affairs of the banking company or of its offices or branches are being conducted, requiring the banking company to make, within such time as may be specified in the order, such changes in the management as the Reserve Bank may consider necessary etc. All these things seem to be not only unnecessary but also very superfluous, after having taken powers under clause 7. It looks as if the entire clause 8 seems to be drawn in a Draconian way. This clause takes powers to supervise, observe and direct also. This unseemly interference seems to be unnecessary and unwanted. If that is the nature in which Government want to supervise the working of banks, it is much better that they liquidate the banks or take over the management of such banks, supersede them and administer the whole thing themselves.

This sort of watch-dog policy seems to be very unnecessary, and I would earnestly request the Finance Minister to drop the clause entirely or, if it need be, to recast it in such a manner that it is less draconian and less harmful to the banking enterprise itself. I am not interested in any banks myself. We know that the Directors' meetings are kept a

[Shri Ramachandra Reddi]

secret. The meeting is held in secrecy, and any violation of the secrecy would be repugnant to the very system of the working of any bank or any other company of that type. This clause amounts to unnecessary interference in the internal working of the company as well as unnecessary observation and looking into the secret working of the company.

Further, what surprises me is that there is no time limit placed for this observation. Clause 8 evidently thinks of having an eternal supervision over the working of the banks. If there is a time limit within which this supervision can be had and later on cut off, I can understand it. The clause does not say anything definite about the way in which it is going to be exercised and the way in which such supervision and vigilance will be ended within a particular period. This clause seems to be unnecessary, and I therefore earnestly request the hon. Finance Minister to recast the clause. Some of these amendments do show that it would have been very easy for the hon. Minister to get through this Bill if it had been sent to the Select Committee and the Select Committee sat over it and did their business within a couple of hours.

**Shri T. T. Krishnamachari:** The objection is basically to the entire section. I was explaining yesterday this particular section at some length and mentioned how one follows the other.

In this particular matter, all that is asked for is to send an observer—it is not a question of appointing a director—to watch the position. The other things follow.

Here it is said that the directors' meeting should be kept a secret. It is precisely so as bank directors are colluding there. They say that this question of secrecy itself is a bar against reform. The idea is that it should not be kept a secret against the Reserve Bank. The Reserve Bank must know what is being done in secret. The power that you have in the foregoing section to ask for the approval of the appointment of the chief executive does not fit in here. The chief executive might be appointed, but the Board of Directors might do things in their own way. We have instances of very big banks in which the chief executive and the Board of Directors are at variance. It may be that in one particular case the chief executive is in the wrong and in another case the Board of Directors are in the wrong. The mere fact that we have some kind of a power over the appointment of the chief executive is not something which does not make it necessary for us to know what is being done in Board meetings, what kind of observation is necessary and how we are to get the information. The arguments advanced by hon. Members do not seem to arise from an appreciation of this fact. I am, therefore, unable to accept my hon. friend's amendment.

**Shri N. R. Muniswamy:** One small clarification. The hon. Finance Minister has said that the function of these observers is to see what is being conducted in the Board meetings. But here I find that the company must see that those officers, who are so deputed, are heard at such meetings. I want to know whether these observers will observe the proceedings simply or whether they should be given an opportunity also to say something to the Board of Directors.

**Shri T. T. Krishnamachari:** I do not know what my hon. friend wants.

**Mr. Chairman:** The point is clear if you read the clause. They should be heard.

**Shri N. R. Muniswamy:** I want to know whether they should say anything at that time.

**Shri T. T. Krishnamachari:** The whole point is this. They would not vote. If they want to correct certain things, they will have to express their opinion.

**Mr. Chairman:** The question is:

Page 7—

*omit* lines 3 to 19.

*The motion was negatived.*

**Mr. Chairman:** The question is:

"That clause 8 stand part of the Bill."

*The motion was adopted.*

*Clause 8 was added to the Bill.*

*Clause 9 was added to the Bill.*

**Clause 10.**— (*Insertion of new section 46A*)

**Mr. Chairman:** There is an amendment by Shri Iyyunni.

**Shri Tulsidas:** I want to oppose this clause.

**Shri U. M. Trivedi:** I want to say a few words.

**Mr. Chairman:** I am only asking if the hon. Member is moving his amendment.

**Shri C. R. Iyyunni:** Sir, I beg to move:

Page 7, line 34—

*omit* "and any other employee".

This clause is all embracive. In the bank, there will be a number of employees. In addition to the chairman, director, auditor, liquidator, manager and others, there is a peon also. For some small mistake, he will be taken to task. It is not like a Government office. People will rush to the chairman and say that such and such person has taken such and such amount from him and that man would be sent to the police. He can be removed. The others, chairman, etc. are all high officials. If they misbehave that is a different matter. In the case of small fries, it will be too much. So, I want the omission of the words 'and any other employee'. The others may be retained. This will exclude the smaller people. It is a small thing and without knowing anything something may happen to them. They shall be deemed to be public servants. I do not know exactly what the meaning is. There are certain safeguards in the case of other public servants. With regard to these people, there are no such safeguards. A man may do something *bona fide* If he is a public servant, it will be condoned. But, will the same safeguards apply in the case of a person who is deemed to be a public servant? It is not clear. So, I beg to submit that this amendment may be accepted.

**Mr. Chairman:** Amendment moved:

Page 7, line 34—

*omit* "and any other employee".

**Shri U. M. Trivedi:** Sir, whosoever drafted clause 10, must have drafted it with a special purpose. There is no doubt. There is great force in the suggestion made by Shri Tulsidas that the object in view is nationalisation by the back door. It says that every chairman, director, auditor, liquidator, manager and any other employee of a banking company shall be deemed to be a public servant for the purposes of Chapter IX of the Indian Penal Code. Certain things can be done *bona fide*. If the public servant has committed an offence, you must obtain the permission of the Government before the man is prosecuted. Section 161 of the I.P.C. should be read with the Corruption Act. The further provision there is that such a complaint will be lodged by the Government. Such a complaint cannot be lodged without the sanction of the Government. The investigation cannot be carried on by any person other than the Deputy Superintendent of Police. Further, the trial also cannot proceed before a particular type of Magistrate. Here, this person will not be debarred from standing as a candidate for the Lok Sabha or the Rajya

[Shri U. M. Trivedi]

Sabha; he is not a public servant for this purpose. Only in a certain event, the whole machinery of the police will be let loose upon such a person declared as a 'public servant'. An example was given by Shri Iyyunni. There is great force in it. After all, there would be peons also. All of them are to be treated as 'public servants', not for the purpose of giving them some protection. If somebody comes and beats him in the course of performing his duties, he is not protected. No protection has been granted to them but only a liability has been put on them. It is all take and no give. There is no protection afforded to the man for discharging the onerous duties.

I think the hon. Finance Minister is a very considerate person and should apply his mind to this position and find things out for himself. It is not that the provision *ipso facto* is bad. I was looking at the implications....

**Mr. Chairman:** May I just point out to the hon. Member that this Bill should end at 4-30? Does he want that all the other provisions should be put together and guillotined? I have no objection to do so.

**Shri U. M. Trivedi:** I bow to the wish of the Chairman.

**Mr. Chairman:** There is no question of my wishing. The House accepted the time and we should stick to it.

**Shri U. M. Trivedi:** Let this go on for one hour tomorrow.

**Mr. Chairman:** Order, order. The time given by the Business Advisory Committee will be over at 4-30. The House accepted the proposal. He has already advanced his arguments and now he is talking almost on extraneous matters. He may kindly conclude.

**Shri U. M. Trivedi:** I am pointing out the redundancy of the provision and also the extremely conflicting nature of the provision if this comes to play. The words 'legal remuneration' are defined in the explanation to section 161 of the IPC.

> "The words 'legal remuneration' are not restricted to remuneration which a public servant can lawfully demand, but include all remuneration which he is permitted by the Government, which he serves, to accept."

Is this public servant getting that legal remuneration as per the definition given here? If not, how are you going to prosecute? My contention is this. Let us not make a law which will be difficult to operate. There will be difficulties in giving effect to it. That is why I submit that the pros and cons of the whole situation had not been looked into. This provision is not at all necessary in this Bill.

**Shri T. T. Krishnamachari:** I have nothing to say.

**Mr. Chairman:** The question is:

Page 7, line 34—

*omit* "and any other employee".

*The motion was negatived.*

**Mr. Chairman:** The question is:

"That clause 10 stand part of the Bill".

*The motion was adopted.*

*Clause* 10 *was added to the Bill.*

*Clause* 11 *was added to the Bill.*

**Clause 12.**— *Amendment of section* 50).

**Mr. Chairman:** There is an amendment to clause 12.

**Shri T. T. Krishnamachari:** It is a consequential amendment.

*Amendment made:* Page 8—

*for* clause 12, *substitute*:

'12. In section 50 of the principal Act, for the words, brackets,

figures and letter "contained in sections 10 and 16 or by reason of the compliance by a banking company with any order given to it under sub-clause (ii) of clause (d) of sub-section (1) of section 36" the following shall be substituted, namely:—

"contained in sections 10, 12A, 16, 35A, 35B and 36 or by reason of the compliance by a banking company with any order or direction given to it under this Act".'

— [*Shri T. T. Krishnamachari*]

**Mr. Chairman:** The question is:

"That clause 12, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 12, as amended, was added to the Bill.*

*Clauses, 13, 14 and the Schedule were added to the Bill.*

**Shri U. M. Trivedi:** On a point of order, there is no quorum.

**Mr. Chairman:** The bell is being rung. Now there is quorum.

**Mr. Chairman:** The question is:

"That Clause 1, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

**Shri T. T. Krishnamachari:** Sir, I beg to move:

"That the Bill, as amended, be passed."

**Mr. Chairman:** The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

## COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

### SIXTY-SEVENTH REPORT

**Shri Ramachandra Reddi** (Nellore): Sir, I beg to move:

"That this House agrees with the Sixty-seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 19th December, 1956."

**Mr. Chairman:** The question is:

"That this House agrees with the Sixty-seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 19th December, 1956."

*The motion was adopted.*

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## OLD AND INFIRM PERSONS' HOMES BILL*

**Shri Krishnacharya Joshi** (Yadgir): Sir, I beg to move for leave to introduce a Bill to provide for the protection and maintenance of old and infirm persons under Directive Principles of State Policy.

**Mr. Chairman:** The question is:

"That leave be granted to introduce a Bill to provide for the protection and maintenance of old and infirm persons under Directive Principles of State Policy."

*The motion was adopted.*

**Shri Krishnacharya Joshi:** Sir, I introduce the Bill.

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MOTOR TRANSPORT LABOUR BILL—*Concld.*

**Mr. Chairman:** The House will now proceed with the further consideration of the following motion moved by Shri Gopalan on the 7th December, 1956:

> "That the Bill to regulate the conditions of motor transport workers, be taken into consideration."

Out of two-and-a-half hours allotted to this Bill, fourteen minutes have already been availed of on the 7th December 1956 and two hours and 16 minutes are now available. Shri A. K. Gopalan may now continue his speech.

**Shri A. K. Gopalan** (Cannanore): Sir, the other day, according to the advice of the Chair I promised to restrict my measure to the condition of the workers employed in the private motor transport, that is the private sector of the industry. I have written to the Speaker to that effect and I propose to make two minor amendments.

**Mr. Chairman:** When a Bill is allowed to be moved, the House gets into possession of that Bill and any amendment to be made by the hon. Member is subject to the wishes of the House, subject to any decision being taken by the House in regard to those amendments. I will allow him to make his speech. If the House does not agree to the withdrawal of those portions, I am afraid the Chair will not be able to help him. The House is in possession of the Bill now. As soon as it is introduced it becomes the property of the House and the House alone can determine if the hon. Member should be allowed to withdraw certain portions of it. Subject to that I allow the hon. Member to make his speech.

**Shri A. K. Gopalan:** The other day I spoke of the importance of this piece of legislation being passed in this session. It was only the other day this House discussed the Mortor Vehicles (Amendment) Bill for two days. Certain important amendments were made in that Act, because in the coming years road transport is likely to play more and more important part. The main amendment which we made in that Act related to discipline among transport operators, but nothing was done to improve their conditions of service, though the hon. Minister promised that a comprehensive Bill would be brought forward. What I wish to impress on Government in this connection is that road ransport cannot be developed unless and until you improve the condition of the road transport workers.

In the Tripartite Standing Labour Committee it was unanimously agreed both by the representatives of Government and the employers that there must be improvement in the condition of workers. During the last few years we have in this House passed so many measures giving protection to different kinds of workers, but for the workers employed in the motor transport industry, though it is important in the social and economic life of the country, no legislation has been undertaken. The conditions of service of plantation labour, dock labour and other workers have been to some extent improved. But in the case of this important category of workers there has been no legislation during the past four or five years. This Bill seeks to improve some of their conditions of work.

Even the I. L. O. has recommended that the working hours of the operating crew must be only eight hours a day and they have pointed out that the working hours of the operating crew in India is the highest in India. Even according to the Mortor Vehicles Act which was passed in the British days the crew were expected to perform only nine hours of steering, duty, but in actual practice they work from fifteen to sixteen hours. The amendment which we recently passed to the Motor Vehicles Act did not even refer to this matter. Chapter V says that there should not be more than forty-two-hours of work in a

week; not more than seven hours in one day; and every worker should have an interval of rest of at least half-an-hour after four hours of work. These are very reasonable changes.

Workers in other industries have got eight hours a day. The I. L. O. itself has said many years ago that the working hours should not exceed eight hours a day.

As far as the transport workers are concerned I do not wish to go into the question of the technicalities, but there are certain mechanisms regarding the working. For instance the brake is now on the side of the driver and he has to pull it backward and forward. That gives him some more exertion and he will not be able to work as before when it was a footbrake. As a result of the change in the mechanism it is very difficult for the transport worker to work for more than seven hours. So, in regard to the working conditions, the changes that are pointed out here are very essential if he is to do his work satisfactorily. Or else there may be accidents and other things. Because, by this hard work, when he is not able to work for the whole day according to the changed mechanism in the motor bus, certainly there will be accidents and there will be loss of life, and also the man cannot work for more years. So, regarding the working hours, there must not be more than seven steering hours per day. Actually, seven hours steering work means that he will have to work for more than that time. Because, he cannot start the work as soon as he comes. He has to be there at least half an hour before he begins steering; also, when the bus completes working he will have to be there for half an hour to see that it is in working order. So, seven hours steering actually means eight hours of work. That is why it has been put as seven hours steering, which means that he will have to put in one hour more of work.

Then I wish to refer to the medical facilities. Chapter II makes provision for the same. And the provision made is that where there are 150 transport workers in any service, the medical facilities provided should include a regular dispensary and a medical officer attached to it permanently. There are big transport companies in our country where there are a large number of transport workers. Here in Chapter II it is provided that in regard to medical facilities there must be a dispensary and a medical officer attached to it permanently. Because, when there are accidents or some other things, unless there is a dispensary from which they can get some medicine and also a medical officer attached to it, they cannot get any medical help. Where the number is 150 transport workers or more, this must be provided.

Chapter III relates to canteens. And it is provided that where one hundred workers are ordinarily employed one or more canteens shall be provided and maintained by the employer for the use of the workers. It is also provided that the Central Governmet may make rules for the maintenance of the canteens and other matters. And there must be a managing committee with representation of workers in the committee who will decide about the kind of food, the charges and other things. That is also very essential. Because, the thansport workers being hard labour, they must get good food which must also be cheap. That is why in regard to canteens certain provisions are made.

Chapter IV is about rest houses and reading rooms and recreation facilities. In big transports the places of halt will be in some places which will not be in the town but which will be somewhere in the rural areas. The transport workers will get no facilities for rest and sleep, and if they do not get good rest and sleep they cannot work properly. If they work on the steering without sleep, it will cause trouble. Regarding rest, even at the places where the buses halt at night time, there must be rest houses with facilities. And in the rest houses there must be facilities for

[Shri A. K. Gopalan]

these people, who are always in the bus, to read and understand something. Otherwise they will have no opportunities and they will be culturally and educationally very backward not understanding anything. Because, they have no opportunity to read or hear others reading. But in the rest houses they will, naturally, have a tendency to read something. So, these rest houses must afford this facility.

As regards the other clauses, Chapter V deals with overtime and overtime wages. Clause 11 provides that hours worked in excess of seven hours a day or forty-two hours a week should be counted as overtime, and subject to the yearly limit of one hundred and twenty hours, the amount of overtime in any one month shall not exceed forty hours. Sometimes it may be that to get more money they may work overtime, but that will weaken them. So, as far as overtime is concerned, not only is provision made for payment of overtime at twice the ordinary rate of wages when it exceeds seven hours a day or forty-two hours a week, but they must never be allowed to exceed forty hours of overtime in any one month—subject to the yearly limit of 120 hours. Because, if it exceeds that limit and some service employs the man—because the man concerned will also be anxious to get twice the wages as overtime and the employer also may want it—, it will certainly affect the health of the worker. In fact, it will not only affect his health, but it will be ruinous from the point of view of the common life of the people. That is why though it is stated that overtime wages must be paid at twice the rate, it is restricted to forty hours in a month.

The spread-over is the next provision, which is contained in clause 12. It provides that the period of work of any worker shall be so arranged that inclusive of his interval of rest, it shall not spread over more than nine and a half hours a day. Because, after the seven hours steering work, if he is asked to do some other work, and it goes to more than nine and a half hours in the total, that means that his capacity and ability will go down, and so there must be a limit as far as the spread-over also is concerned.

The last provision in this Chapter is about night work and wages for the same. I need not explain it. It is very clear. The provision made is that night work must begin at 7 p. m. and that all night work shall be paid at twice the ordinary rate of wages.

Then I come to Chapter VI which deals with leave with wages. This is very important. It is very necessary that after his hard work, the transport worker must have rest. It is therefore provided that every person employed in a motor transport who has completed a period of continuous service therein shall be allowed during the subsequent period of twelve months leave with full pay or wages at the rate of fifteen days casual leave, thirty days privilege leave and twelve days festival holidays including national holidays which come under the Negotiable Instruments Act. This leave should be given with wages, and it is necessary also that he must be able to avail himself of this leave. The twelve months' continuous service should be deemed to have been completed if the worker has during the said period of twelve months put in not less than one hundred and eighty days of attendance, and the period of the leave should be inclusive of the weekly days of rest. These are the provisions about leave. Leave with wages should be given, and the worker must have the benefit of enjoying the leave.

So far as sickness leave and sickness benefit is concerned, subject to any other rules that may be made in this behalf, it is said in this provision that the transport worker shall be entitled to obtain from his employer sick leave with full wages for a period of fifteen days and half wages for any period over fifteen days and upto one month, provided a qualified medical practitioner certifies to that effect.

Then, provision is made in clause 16 in regad to accidents. Every now and then we hear about accidents in the papers. It is provided here that if personal injury is caused to a workman, arising out of and in the course of employment, his employer shall be liable to pay him wages for the period or periods during which he has been forced to remain without work. This is very important, because when there is no restriction about overtime, when there is no restriction about spread-over, and when there are no restrictions about the working hours, and when they are made to work for fifteen or sixteen hours, we find that on many occasions there are accidents and when these accidents occur, the workers are just left without any help. The employers' liability to pay wages during period or periods of injury caused by accidents should be realised very well. It is very important that workers, when there is any accident, should not be abandoned. There must be some regulation as far as these accidents to the workers are concerned. In the Bill, it has been provided that wages for the period or periods during which he has been forced to remain without work, should be given.

Then the question arises as to the provident fund, gratuity, etc., on which I do not want to dwell at length. I would only say that all these benefits must be given.

I am glad that there is a Standing Labour Committee and I learn that it is meeting somewhere at the end of this month, and I hear that they are going to discuss this matter and going to bring forward some legislation. The other day, the Deputy Minister said that they are going to bring forward a legislation. I want to know whether they are doing it, because, as I said before, nothing has been done so far. We have amended the Motor Vehicles Act. Some of the clauses in that Bill deal with punishment for the transport workers, saying that they should be detained, etc., for certain acts. But, at the same time, nothing has been done for the development of road transport in this country. Certainly, the condition of workers should be taken into consideration and the same amenities that are given to other classes of workers should be given to the motor transport workers. I want to emphasise this, because the other day, the Deputy Minister said that long before Shri Vittal Rao and Shri Gopalan brought this Bill forward, he had thought of it. It is not because he had thought of it earlier that I am emphasising this now. The Government must see the condition of workers and it is because of the conditions of the workers that I want the Government to do something in this regard.

Even now, it is very late to do this. For the last five years, the Government did not think about it. It is very sorrowful to note that the Government have done nothing regarding this important motor transport industry with respect to the workers. Even now, at this last moment, if the Government will accept the reasonable provisions that are contained in this Bill, and bring forward a Bill, certainly we will be very glad. I am sure that the Government will see to it. If the Minister says, "Certainly it would be done immediately," then, even if you do not take this Bill into consideration and pass this, I shall not mind. If the Minister will only say that this thing has been delayed, and delayed for many years, that this will be taken up immediately and that the most important provisions at least which are contained in this Bill will be accepted, namely, the provisions regarding working hours, sickness, leave and other things—and are implemented immediately, certainly, no more discussion on this Bill need be necessary. If there are any provisions which cannot be accepted, then, let the Minister come and say which are those provisions which cannot be accepted and why. If he thinks that certain provisions may be accepted, it is for him to say what the Government, even at this late hour, thinks about this piece of legislation.

**Mr. Chairman:** Motion moved:

"That the Bill to regulate the conditions of motor transport workers, be taken into consideration".

I think that in view of what has fallen from the hon. Member who has moved for consideration of this Bill, it is better that the Government make a statement. The hon. Member said that if he is satisfied with a statement by the Minister, we may not proceed with the Bill. Not that I am opposed to speeches being made, but only in order to save time, I felt that I could make that suggestion.

**Several Hon. Members** *rose.*

**Shri A. K. Gopalan:** After the reply by the Minister, we could see to it.

**Mr. Chairman:** But, if the hon. Members who have just now stood up want to make speeches, I would request them to be very brief.

**Shri T. B. Vittal Rao:** (Khammam): Yes, 10 minutes.

**Mr. Chairman:** Yes; Shri Vittal Rao may speek.

**Shri T. B. Vittal Rao:** Mr. Chairman, this is a Bill which has been brought forward by the leader of our party, Shri A. K. Gopalan, for providing for statutory provisions for regulating the conditions of service of motor transport workers. I shall be very brief. As long as 20 years ago, the International Labour Organisation adopted a convention. Though we have been a member of the International Labour Organisation, we have not yet ratified it. Today, there are 3,50,000 workers employed in the road transport industry. It has been recognised that the road transport workers should be given the facilities that are accorded to workers in the factory or mines or in the plantations. We are not asking for anything better than what is provided for other workers governed by the various Acts.

We have been raising these questions for a long time. In 1954, the Deputy Minister of Labour, with some authority, said that the Government was thinking of it. We waited for nearly a year, but that promised assurance was not implemented. Then I and my leader brought forward a Bill. The Bill was introduced in September, 1955. In February, 1956, it was discussed in this House. Then also the Minister gave an assurance that they would bring forward a legislation. After that what happened? The Standing Labour Committee met in Delhi in April, 1956. They unanimously recommended that legislation should be undertaken. But many months have passed. It has not come.

Only in the last session—13th session—in the month of September, in reply to a supplementary question of mine, again, the Deputy Minister of Labour, with a little amount of gusto, said that the legislation cannot be brought forward through a brain wave. All these years, the measure has been pending. It cannot come through a brain wave, as he put it. It was said that they are in consultation with the labour organisations. All such things were said. But till this day, nothing has come out.

I only want to quote one instance. Even in the State transport services, where it is said that the workers are paid better or that their conditions of service are a little better, a driver who takes the bus at 4 o'clock in the morning and reaches his destination at 12 o'clock, is again asked at 1 o'clock or 2 o'clock to take another bus and he is asked to maintain the connection to the railway train. I met those people. I have worked among such people. I know with what volume of strain they work, and yet, statutory provisions are not available to them.

Rest hours, paid holidays and overtime wages are all normal in our country. But why should these people be neglected? I tell the House definitely that there is something wrong in the Ministry of Labour. It must be overhauled. They have

always been delaying legislation in regard to labour—whether it is an amendment to the Payment of Wages Act, or it is an extension of benefits under the Employees' Provident Fund Act or whether it is an amendment to the Workmen's Compensation Act. They delay things even after it has been decided by the Labour Ministers' Conference and the Indian Labour Conference which is a tripartite organisation and the supreme body in this country in relation to labour. They delay things. This Ministry is most inefficient. I want the Prime Minister, the Leader of the House, to look into it and overhaul it so that at least the conditions may improve.

**Mr. Chairman:** Shri V. P. Nayar.

**Shri Achuthan** (Crangannur): There was a convention that after one Member from that side has spoken, one Member from this side may be called.

**Mr. Chairman:** The debate is not over. I do not want to be directed by the hon. Member in the matter of choosing one Member from this side or one Member from that side. The discussion has not been exhausted. The hon. Member may be allowed to speak if he catches the eye of the Chair. Shri V. P. Nayar.

**Shri V. P. Nayar** (Chirayinkil): I want to make a few general observations. The Bill ought to be certainly non-controversial and if the Government cannot find their way to accept it, I submit that it is only because it comes from the Opposition.

Sir, as comrade Shri T. B. Vittal Rao pointed out, there is an ununderstandable procrastination in the matter of labour lagislation in this country. It is unfortunate these 350,000 workers have not so far had the benefit of any law. I was amused the other day when Shri Abid Ali, the Deputy Minister, said that legislation does not come from brain wave. I would not quite agree with that because the essential pre-requisite for a brain wave is brain itself, the existence of which I seriously doubt having seen the manipulations of the Ministry....

17 hrs.

**Mr. Chairman:** As a matter of fact, as you know, the hon. Member is entitled to make any remarks he likes. But he is going beyond limits in making remarks like these. After all, we are at the fag end of the session. Now, we should not give ourselves to saying some things which are absolutely unpleasant to every person who hears. It would be better if the remarks are couched in a much more moderate language.

**Shri V. P. Nayar:** I wish to do so. But, it is rather painful to know the very hard lot of these motor drivers.

You know that the recent trends in the motor transport industry is to make bigger and bigger buses. Whether it is a bus or lorry, especially in the public transport, you will find that, when 10 years ago you had only 3—ton trucks or 3—ton buses, at present, it is 8 or 9—ton vehicle. I know some of the practical difficulties which have increased the work load. That is not being appreciated. For example, if a driver took out a 3—ton truck or a 3—ton bus, the seating capacity was limited to 23. Today, what do you find? Even in Delhi, you can see how the buses are built. They are so long that you enter through the back and even without the bus moving, you reach the destination. The man at the steering has much more responsibility.

His nerves will always be in extreme tension. He is carrying 100 persons. In the olden days, there was only the seating capacity. Today, there is the seating capacity, there is the standing capacity, there is hanging capacity and in some buses, there is also a sandwiching capacity also. Is this the condition in which the drivers have to work? It is common knowledge that in a 10—ton bus, when the driver applies the brake to stop the bus, he has necessarily to use more of his energy, however much efficient the brake system may be.

[Shri V. P. Nayar]

You will also find that in all these new buses, the position of the bears has been changed. It is far behind. One has to stretch his hand backward and change the gear. One can understand that in these buses, the gears have to be changed five times. Wherever the bus stops, the driver has to stretch his hand backward and pull the gear. Improvements have been made in the buses. What for? These big buses have been made in order to make the running cost low. You are using diesel which is harmful according to my information. I raised the question the other day also. Government say, we have not enquired whether the use of diesel is injurious to the driver. This is a matter which has to be looked into. The drivers' plight, I submit, is something which we do not generally appreciate. What is the position of a driver? He has no security of service. Even the hon. Minister knows what will be the spread over duty of his own driver. When he comes to Parliament, when we are here, the driver has to wait outside. If it is summer, you can imagine, there is not one shed even before Parliament for the driver to wait. We have taxi stands, where we can get hundreds of taxis. But, is there a single shed under which a driver can take refuge when he has no customer? This is a thing which we ignore. The driver's work is a very strenuous one. Here in India you find that when the Motor Vehicles Act can be amended, section 65 has to be retained, fixing the duty at the wheel at nine hours. What is the real position? Take the case of an officer. The driver has to report to his boss at 9 o'clock in the morning and be waiting outside some club till the owner goes home. What is he paid for that? Is he not a human being? Speaking about cars, the owners or proprietors insure the cars. There is third party insurance. If there is some damage in a car as a result of some accident, that lifeless thing also is protected. But, the human being who is in charge of it is not protected by the owner. Is it not ridiculous? This applies in the case of not only the drivers, it applies also in the case of conductors. Their work load has also increased. If he had to issue tickets for 30 persons some years ago, he has to issue tickets to 100 persons now. Is he paid more for that? There is absolutely no protection for the bus crew. They are working in miserable conditions. There is no question of delaying legislation any longer because we all know that it is very vitally required. This industry is very vitally required for building up our nation. It is not as if the Railways can deliver the goods. They cannot. This Industry has to develop. In this context, when all things are developing, I say that the Government, despite the assurances given here which were pointed out by my hon. friend, have not bestowed any serious thought over this issue. I have some experience of this and I understand their problems also. What about a car which has to go overnight? If the I. L. O. has adopted 8 hours steering a day, I personally think, that in India, under our tropical conditions, during certain parts of the year, it should not even be eight hours. Just imagine a Delhi transport bus. A driver gets into the bus at 11 o'clock in the morning on a hot summer day. How long can we expect him to be at the steering? We cannot even go from here to North Avenue for our lunch. It is so hot. This man has to be at the wheel for 8 hours. It is unimaginable. He will be literally fried in the heat of Delhi. We want, therefore, restrictions in regard to that.

Does Shri A. K. Gopalan's Bill suggest anything which the Government cannot do? Does it raise any issue on which there can be any controversy? I submit that, having regard to the non-controversial nature of all the provisions here, which are very good and which the Government should have no hesitation in accepting, Government should accept this Bill and see that the transport workers, who have been neglected so far by the Government, get at least some protection.

They will have medical facilities, they will have the little conveniences which the other workers enjoy, they will have their duty hours fixed and they will also have their insurance paid by the owners of the cars which they drive.

I do not want to go into public sector. But, I want to give the Minister a warning also, that because this matter is not being looked into properly by the Centre, the State undertakings also have a trend which is vey harmful for the country. We know how the Transport Enquiry Commission report in the matter of the State Transport in Travancore-Cochin was implemented only in regard to the provisions which were injurious to the workers while those provisions which were beneficial were never touched. Because there is no Central legislation, the States and the private operators think that they can do anything with the workers. There is no question of security of service. The moment you ask a driver to go away, he goes. He cannot go to a court of law in the present circumstances. This attitude must change. I appeal to the hon. Minister to atone for what has been done and to bring this legislation immediately.

**Shri Achuthan:** Mr. Chairman, we had the experience of an outburst in this winter season in Delhi of the brainwaves of Comrades V. P. Nayar and T. B. Vittal Rao. I am not going to reply to those outbursts.

Comrade T. B. Vittal Rao very strongly criticised the Labour Minister saying that he is very inefficient. It is everybody's knowledge in the country that the two persons who are now manning the Ministry are the best and most experienced men in that line, better than comrades Shri V. P. Nayar and Shri T. B. Vittal Rao, having worked in the labour organisation from the very beginning of their life....

**Shri T. B. Vittal Rao:** We agree.

**Shri Achuthan:** ....in the busiest parts of the country where labour organisation originated. To come and say after five long years, after we have witnessed the large number of labour welfare measures in this country, is not proper. We can be proud of the attitude taken by the Government in the matter of the improvement of the poor conditions of labour of all categories, private, public, factory, mines etc. They say because the Government did not bring forth a Bill within one month or two months, the Prime Minister must fly back from Washington to see that something is done about these Ministers; this is simply fantastic.

Coming to the Bill, it is a good measure. We have seen during the last so many years in India both the Central and State Governments have brought forward a number of labour legislations for every category. We have, for example, dealt with many aspects of the welfare of factory workers—their wages, compensation, remuneration etc. Shri T. B. Vittal Rao is an expert in the mine workers labour organisation also. Even yesterday he raised a discussion and in a very sympathetic way the Labour Minister replied that that also will be looked into. State Governments and labour organisations have to be consulted and necessary non-controversial measures must be brought forward so that as soon as possible they may be implemented in this country. Simply saying here to bring forward such a measure will not do. It is not that system of Government that we are having here. I do not think there was any laxity on the part of the Ministry in bringing forward such measures.

I must congratulate Shri Gopalan on bringing forward this measure. I do not know what the reactions of the Government will be. It has got a number of good features. With the coming Five Year Plans there will be an increase in the number of transport vehicles in this country. We are now constructing a number of roads connecting the interior parts of the country. It is a sign of the economic

[Shri Achuthan]

development of the country. The transport vehicles must ply on all these routes for the transport of passengers as well as goods. Even the Railway Ministry here openly says they will not be able to cope with the heavy transport work during the Second Five Year Plan. So, it is high time that transport workers are given some security.

Even now I do not think where there is a well organised labour organisation of transport workers, the labourers can be dealt with in any way according to the whims and fancies of the private employers. We have seen in our area also that owners who have more than 150 lorries, trucks and buses cannot deal with a simple employee as they like, because there will be an organised strike, and the workers take the assistance of the labour organisation of the State Government concerned. I have seen. I was a legal adviser of a transport service which has got more than 30 buses and 25 lorries and a few cars. There in my capacity as Adviser for more than five years I have not seen a single employee dismissed. We will not give room. It is not also possible nowadays to deal with them like chattel. So, do not paint such a horrible picture of the poor plight of the labourers.

It is good that the provisions of this Bill should be adopted and enacted. I know it will add to efficiency. Not only that. If such measures are adopted, more educated people will be tempted to come in. With regard to conductors or drivers or mechanics we must so have the rules and regulations that even educated people, school finals and intermediates who are without any work may be attracted. That also I think is highly necessary. Either this Bill may be accepted, or a better measure may be brought forward without much loss of time so that all the welfare amenities to be given to the labourers may be guaranteed and adequate provision made, and punishment may be meted out to the employers who do not provide such amenities.

We have enacted the Shops and Establishments Bill. Moreover, I do not think that even now under the Standing Orders Act, in a workshop an employer can evade providing these labour welfare measures. They must have canteens and other facilities. I have seen all these things in my place. I do not know the position in other places. Facilities like rest houses, reading rooms, clubs have to be provided, and I think no employee will allow himself to be treated as mere chattel or a two-legged animal. That is not the position.

So, I appeal to the labour Minister to examine the provisions of this Bill and adopt it if possible as it is or with such amendments as he thinks fit. About 3½ lakhs people are now employed in this industry and more will be employed in the future because improvement of transport will be an important factor in the economic development of this country.

I have also another suggestion to make. There are a number of employees in the water transport services. In my State I have seen boat services from one place to another, and in many other places also. In my place particularly I have seen goods and transport traffic carried for more than 200 miles at a stretch—I do not know whether the Labour Minister knows it—from Ernakulam to Alleppey, from Alleppey to Quilon, from Quilon to Kottayam, from Ernakulam to Crangannur etc. There also there as employees, drivers, workmen etc. So, it will be better if the Minister after taking into consideration all these aspects of the transport services of this big country brings forward a measure including all these categories of employees, giving them welfare and protective benefits so that the standard of efficiency may be increased and they may have a better outlook on life.

I thank Shri Gopalan for bringing forward the Bill and I request the hon. Minister to consider it sympathetically.

**Dr. Rama Rao** (Kakinada): May I speak?

**Mr. Chairman:** Is it necessary now?

**Dr. Rama Rao:** Just five minutes. We have plenty of time.

I am glad the Bill has the unanimous support of the House, and I hope the hon. Minister will accept it with such amendments as he likes. I am sure the hon. Mover of the Bill will accept any amendment the Government wants. The Bill is limited to the private sector for constitutional reasons. Therefore, I am sure if the Labour Minister objects to any point, the hon. Mover is sure to accept it and amend the Bill to that extent. Which provision of the Bill can anybody object to ? want to know. If you think certain provisions are going too far, you can amend them. I need not go into details because the other speakers, Shri V. P. Nayar and Shri Vittal Rao have spoken. Even the hon. Member from the Congress Benches has accepted that no provision in the Bill can be objected to. Therefore, I am sure the hon. Member will accept it.

Secondly, there are many labour laws which are not implemented effectively especially in the private sector. The transport workers are helpless in many States. For instance, workers on the lorries have to work for long hours at night which is very serious, and many accidents are due to the strain involved and due to not implementing the rules and regulations concerning public transport. Therefore, I hope the Government will accept it.

As I have already mentioned in connection with another Bill, at least the bus transport must be nationalised. However, in this connection I only want to point out that a limitation on the hours of work is essential, and intervals between certain periods as mentioned here—half an hour's rest after four hours continuous work etc.—are necessary for efficiency and safety not only of the transport workers but also for the travelling public. Many accidents are due to over-strain. Therefore, I hope the hon. Minister will accept it with such amendments as he thinks fit.

**The Minister of Labour (Shri Khandubhai Desai):** At the outset I would like to state that I am in sympathy with the intention of this Bill. However, I could not understand the excitment and the intemperate language that Shri Vittal Rao indulged in today. It may be due to some deterioration in the state of his health this afternoon.

As far as the working of the Labour Ministry, or its efficiency or otherwise is concerned, it is for the three million odd workers to judge. From what I have observed, they are reasonably satisfied with the working of this Ministry. As far as this particular Bill is concerned, the initiative was taken by Government, and the question was discussed at our own initiative before the Standing Committee in April. And it is at our initiative, and, if I may say so, moral pressure, that we have been able to get the acceptance, even by the employers, of the principle of protecting the transport workers in the country. Immediately after that, we drafted a legislation and sent it on to the States, for their comments, on the 30th June.

Shri T. B. Vittal Rao, a good parliamentarian as he is, must know that this is a Concurrent Subject. On a Concurrent Subject, we cannot act in Delhi as autocrats and put in any legislation that we like. That is exactly what my colleague the Deputy Minister said when he said that it cannot be done by a brain-wave. We work through a democracy and through a Constitution. We took only two months at the most in drafting that legislation, which had been sent on to the States for their comments, whatever they may be. Of course, we are not bound down if they do not concur. But, anyway, their views ought to be known by us.

[Shri Khandubhai Desai]

We also took steps even at that very Standing Committee to see that the interests of the workers and their viewpoints also were ascertained, and it was at my suggestion that it was decided that after we receive the comments of the States in the matter, a tripartite committee of employers, employees and the Centre will get those comments and finalise the Bill. We expect to get the comments soon. Some of the States have already sent their comments, and we shall constitute a committee to look into the legislation.

This House will recall that it has already passed a law enabling the Government to extend the Employees' Provident Fund Act to any employment. So, even if the legislation is not passed in this respect, as far as the provident fund law is concerned, it can be applied. There was a lacuna in the original law, which, fortunately, has now been set right; the Bill was passed only the other day in the Rajya Sabha.

As far as compensation is concerned, the transport workers are governed by the compensation law. As far as the Payment of Wages Act is concerned, I know that the power had been given to the States to extend the law, and a large number of States have extended it.

**Dr. Rama Rao:** There are too many loopholes.

**Shri Khandubhai Desai:** In every legislation there will always be loopholes, and it is always the duty and obligation of this House as well as of the State legislature to plug the loopholes whenever they come to light. Otherwise, if some Brihaspati makes some law which will work for eternity, then there will be no need for any Parliament or any State legislature. Anyway, that is besides the point.

As far as the nationalised sector of transport is concerned, according to our information—I am open to correction—in most of the larger States which have nationalised transport, or where transport has been taken over into the public sector, and in some of the municipalities like that of Bombay and Ahmedabad and such other places, most of the provisions which Shri A. K. Gopalan has sought to include are being carried into effect, even though there is no legislation. There are canteens; there are restrictions on hours of labour; there is rest period; there are provident fund regulations, even though the Act does not apply; there is gratuity also.

But, as far as the private operators are concerned, I do admit that the conditions of the workers require to be protected. It is at our initiative, and of course, that of the organised labour movement too, that Government have decided to bring in a Central legislation, so that uniformity will be maintained throughout the country. The Study Group in order to get the draft legislation and the comments which are received from the States will study this and I hope it will finalise the draft legislation soon.

I would like to say to the labour enthusiast—I am also one of the oldest trade unionists who has worked in the labour movement for the last thirty-five years—that any hurried legislation or any hurried statutory liability or obligation, sometimes, according to my experience, frustrates the very object we have got in view, and, therefore, the question of legislation has to be considered very carefully.

ऐसा नहीं होना चाहिये कि लेने गयी पूत
और खोइ आयी खसम

So, we must understand that it is a serious matter. I do agree with Shri A. K. Gopalan that as far as social and labour legislations are concerned, there is no question of taking credit one way or the other. Whenever suggestions come, from whatever source they may be, if they are good suggestions, they have to be accepted, and they are being accepted. As far as the party to which I belong and this Government which is an elected

government, are concerned, we have taken good things from everyone, but scrupulously rejected stunts and slogans, because they are not to be something in the Act, and what we want is something to be concretised, which will benefit labour, which will benefit the people and which will benefit everybody.

As I have said in the beginning, I am in sympathy with the whole intention of this Bill which Shri A. K. Gopalan has brought forward. The committee will look into the question, and Government will finally consider some of the suggestions which have been incorporated in the Bill; they will, of course receive our very serious consideration.

As far as the amendments to the Payment of Wages Act, the Compensation Act, and the Minimum Wages Act, etc., are concerned, Shri T. B. Vittal Rao, even though he has full knowledge of how things are moving, had been rather harsh. He should not have been so harsh. If those friends on the opposite side, both here and in the other House, had been a little circumspect, I have no doubt in my mind that I would have brought forward, or would have been enabled to bring forward all my legislation, that is to say, amending legislation which are already ready. But, owing to lack of time before this House, and also because—of course, I should not say that—they have arrived in democracy to speak out whatever they like, for as many hours and for as long a time as they are entitled to theoretically, I could not bring in all the Bills which are already finally drafted.

We are the first elected Parliament. As you know, during the last five years, we have seen through many important laws which, I believe, have got priority over amendments to existing laws, which have already protected workers. I anxiously want that workers should be protected still more and that if there are loopholes, they should be plugged. But then priority of business of this House has also to be considered. I have no quarrel with the Business Advisory Committee or any other body for taking a lot of our time. But that is the only reason why some of those amending Bills, however much we desired, could not be got through.

I hope that with the sort of assurance which I have given to Shri A. K. Gopalan, he will not press his motion to a vote, because if the motion is pressed to a vote, I would very reluctantly have to oppose it, because I cannot accept everything that is said there.

**Shri Kamath** (Hoshangabad): Reluctantly.

**Shri V. P. Nayar:** Why not make suitable amendments?

**Shri Khandubhai Desai:** He has moved the Bill but if it is made into law, I have got to administer it; and if I feel that it is impossible to be carried out, I would have to oppose it as a whole.

**Shri A. K. Gopalan:** I thank the Labour Minister for the kind words that he has said. I also thank him for the promise that legislation would be brought forward very soon. He also said in his speech that the initiative was taken by Government. This is very good, but it would have been better if the initiative that had been taken by Government had resulted in bringing forward a Bill and passing it into law in this session itself. Then certainly it would have been good for the workers, for the Government and for the country as a whole.

I would like to answer one or two points. He referred to 'credit'. I would not have said anything about it but for a very bad incident a few days ago when the question of pay scales of insurance employees was discussed. Then another hon. Minister openly said in this House—'I will do anything for the workers. But I do not want the credit to be taken by so and so and also by the party which will exploit it later'. This being the way in which our attempt to bring in some legislation or motion for discussion in the House is interpreted,

[Shri A. K. Gopalan]

namely, that it is only to exploit the situation for our party, I was forced to refer to it. Otherwise, I would not have made a mention of that.

As far as the nationalised industry is concerned, the Minister has said that some of the provisions are already there. I want to point out one thing. In Travancore-Cochin, this industry is nationalised. As regards the provision for overtime, the workers today are not working overtime. A certain Committee was appointed and that Committee gave a report according to which overtime allowance given to the workers was denied. So they say that they cannot work undertake overtime work. The provision that had been there is now denied. Not only that, the workers have given notice of a token strike for the 5th or 6th January. A few months ago, there was a strike.

One answer for these strikes that take place in the country, whether in this industry or that industry, is the existence of the party to which I belong in this country. But is it the only answer that can be given? Why is it that in spite of what that organisation has been doing to pacify the people, the workers do not agree?

As far as the nationalised industry is concerned, I want to inform the Labour Minister that some of the most important provisions which we have in view are not there in the State concerns. Some provisions are, of course, there, but the most important provisions are not there. So there is also that difficulty.

The Minister has promised to look into it. So there is no use in putting this motion to vote and seeing that it is not carried. That would not benefit the cause of the workers. It is better that we wait for another six months. If by then Government do not bring forward the promised legislation, we can bring forward the same Bill.

I do not want to go into details, but I say this much that even after hearing the speech of the Labour Minister, I am not convinced that it was because of lack of time that he was not able to bring forward a Bill. Several Bills have been brought forward. Even yesterday and the day before, we had important Bills before us conferring arbitrary powers on Government as far as taxation is concerned. So if the Government really wanted to bring forward such a Bill, there would be nothing standing in the way. That is a fact which we can all understand.

**Mr. Chairman:** He said that the States had not sent in their opinions.

**Shri A. K. Gopalan:** If the Government want that the States should do something, I do not think it will be difficult for them to get it done; I do not think it will be difficult for them to get an answer from the States this way or that way. Anyhow, I only say that I am not convinced that there was not enough time to bring forward this legislation. If the Government wanted, they could have brought in a Bill before the end of this session. Anyhow, I do not press my motion. I again hope that all the clauses in this Bill as well as the principle of the Bill will be accepted by the Labour Minister.

**Mr. Chairman:** Does the hon. Member seek the leave of the House to withdraw the Bill?

**Shri A. K. Gopalan:** Yes.

*The Bill was, by leave, withdrawn.*

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## RULES COMMITTEE
### SEVENTH REPORT

**Shri Raghavachari** (Penukonda): I beg to lay on the Table of the House, under sub-rule (2) of rule 306 of the Rules of Procedure and Conduct of Business the Seventh Report of the Rules Committee.

## CODE OF CIVIL PROCEDURE (AMENDMENT) BILL

**Shri M. L. Dwivedi** (Hamirpur Distt.): I beg to move:

> "That the Bill further to amend the Code of Civil Procedure, 1908, be taken into consideration".

सभापति जी, मैं ने पिछले सत्र में एक विधेयक इस सदन के सामने रखा था। यह एक छोटा सा विधेयक है लेकिन एक बहुत महत्वपूर्ण सवाल को ले कर रखा गया है। जैसा कि सदन के सभी सदस्यों को मालूम है और देश भर में तमाम लोगों को मालूम है, हमारे देश में बहुत से राजे महाराजे जो पुराने राज्यों के शासक थे, अभी भी हैं, और संविधान ने उन को नागरिकता के अधिकार दिये हैं। क्योंकि वे इस देश के नागरिक हैं। लेकिन एक विचित्र बात यह है कि सिविल प्रोसीज्योर कोड के अन्तर्गत उन को कुछ ऐसे अधिकार दिये गये हैं जो कि संविधान में लिखी हुई बातों के बिल्कुल विरोध में हैं। उन को उसी भांति इस समय समझा जा रहा है जैसे कि वे कोई विदेशी शासक हों या इस देश के दुश्मन हों। इस संहिता की धारा ८५ में लिखा है :

> "किसी विदेशी शासक की प्रार्थना पर अथवा किसी ऐसे व्यक्ति की प्रार्थना पर जो कि केन्द्रीय सरकार की अनुमति में विदेशी शासक की ओर से कार्य करने के लिये समर्थ हो, आज्ञा द्वारा किन्हीं भी व्यक्तियों को ऐसे शासकों के पक्ष में न्यायिक कार्य करने, दोषारोपण करने अथवा उन का पक्ष प्रतिपादन करने के लिये नियुक्त किया जा सकता है और जो व्यक्ति इस तरह नियुक्त किये जायेंगे वे अधिकृत कर्ता समझे जायेंगे। ये कर्ता लोग ऐसे शासकों की ओर से विधान प्रक्रिया संहिता के अन्तर्गत साक्षी का कार्य कर सकते हैं, प्रार्थना पत्र दे सकते हैं और अन्य कार्य भी कर सकते हैं।"

इसी प्रकार से धारा ८६ की उपधारा (१) में लिखा है :—

> बिना केन्द्रीय सरकार की अनुमति के और जब तक उस सरकार के सचिव द्वारा ऐसी अनुमति का लिखित प्रमाणपत्र न जारी किया जाय, किसी भी विदेशी शासक के विरुद्ध किसी ऐसे न्यायालय में, जो कि अन्यथा कार्यवाही करने में समर्थ हो, अभियोग नहीं चलाया जा सकता।

उपधारा (३) में लिखा है :—

> इस विधान प्रक्रिया संग्रह के अन्तर्गत कोई भी विदेशी शासक बन्दी नहीं किया जा सकता और बिना भारत सरकार की अनुमति के जो उस सरकार के सचिव द्वारा लिखित प्रमाणपत्र द्वारा प्रदत्त हो, किसी भी ऐसे शासक की सम्पत्ति पर जारी की गई डिगरी पर कार्यवाही नहीं की जायेगी।

जहां तक विदेशी शासकों का सम्बन्ध है या उन लोगों का सम्बन्ध है, जो कि देश के विरुद्ध हैं, मैं मान सकता हूं कि ये धारायें बिल्कुल सही हैं और उन पर अमल करना चाहिये। जब तक इस देश में ६ सौ के करीब रियासतें थीं और उन के शासक स्वतन्त्र थे, तब तक उन को विदेशी शासकों के समान अधिकार प्राप्त थे। उस समय इस देश में अंग्रेजी शासन था, इसी लिये इन रियासतों के राजा महाराजा इस प्रकार के अधिकारों का उपयोग करते थे। लेकिन अब तो वे ६०० रियासतें पूरी तरह से

[Shri M. L. Dwivedi]

हमारे भारत संघ का अंग बन चुकी है। अंग ही नहीं, राज्य पुनर्निर्माण अधिनियम के द्वारा, जो कि हम ने अभी हाल में बनाया है, वहां के नागरिकों को वही अधिकार प्राप्त हो चुके हैं, जो कि देश के शेष नागरिकों को प्राप्त हैं। पुराने देशी राज्यों के नरेश अब सब मायनों में भारतीय नागरिक बन चुके हैं और हमारे संविधान में लिखा है कि सब भारतीय नागरिकों के अधिकार एक समान होंगे और उन में किसी प्रकार का भेद-भाव नहीं किया जायगा। ऐसी स्थिति में मेरी समझ में नहीं आता कि भारत सरकार ने उन को ऐसे अधिकार और सुविधायें क्यों दी हुई हैं, जो कि विदेशी शासकों को या हमारे देश के शत्रुओं को मिलती हैं।

एक बहुत महत्वपूर्ण बात मैं इस सदन के सामने यह रखना चाहता हूं कि जब कोई व्यक्ति इस देश का नागरिक बनता है, तो उस के कुछ कर्तव्य हो जाते हैं, जिन का पालन करना उस के लिये उचित और आवश्यक होता है। हम देखते हैं कि हमारे सामने पंच-वर्षीय योजना आई, द्वितीय पंच-वर्षीय योजना आई। देश भर में एक नवीन जागृति का सूत्रपात हुआ और हमारे वहां अनेक क्षेत्रों में ऐसी महान प्रगति हुई कि जिस को देख कर दूसरे देशों के लोग चकित हो गये। हम यह भी देखते हैं कि हमारे देश के साधारण नागरिक—चाहे वे ग्रामीण हों, और चाहे नगर के निवासी अपनी अपनी शक्ति के अनुसार अपने अपने क्षेत्र में सरकार के साथ सहयोग कर रहे हैं, पंच-वर्षीय योजनाओं में श्रम दे रहे हैं, सम्पत्ति दे रहे हैं और अनेक प्रकार के कर इत्यादि दे रहे हैं और इस प्रकार अपने देश के नाम को उज्जवल बनाने और उस को प्रगति की ओर ले जाने के लिये पूरा प्रयास कर रहे हैं। हमारे गृह मंत्रालय के मंत्री जी इस समय यहां पर बैठे हुए हैं। वह हम को बतलायें कि कौन से शासक ह, जिन्हों ने भी श्रम दान आन्दोलन में कार्य किया हो या पंच वर्षीय योजना के अन्तर्गत कोई आर्थिक सहायता दी हो या देश की प्रगति सम्बन्धी कोई आशातीत कदम उठाया हो। अगर वह इस तरफ कुछ इशारा करें, तो मैं समझूंगा कि आप इन भूतपूर्व शासकों को निजी खर्च के लिये जो बड़ी बड़ी धनराशियां दे रहे हैं, उस में कुछ औचित्य है। मैं जानता हूं कि आप ने उन से कुछ समझौते कुछ करारनामे कर रखे हैं। मैं यह भी जानता हूं कि ये करारनामे सही हैं और उन का हमें पालन करना चाहिये, लेकिन क्या इन करारनामों के अन्तर्गत ऐसी बातें भी नहीं कर डाली गई हैं, जो कि हम को नहीं करनी चाहियें थीं। हम ने यह तय किया था कि राज्यों में राजप्रमुख और उप-राजप्रमुख होंगे और हम ने उन को कुछ अधिकार भी दिये थे। हम ने पहले एक कावेनेन्ट बनाया और फिर उस को बदल डाला।

इस सम्बन्ध में मुझे सरदार पटेल की याद आती है, जिन्हों ने इस देश में एक विशाल कार्य किया— जिन्हों ने एक ऐसा कार्य कर के दिखलाया, जो कि असम्भव मालूम होता था। सब देशी राज्य भारत संघ में विलीन हो गये अथवा उस के साथ एकीकृत हो गये जिस के कारण हमारे देश की स्थिति बड़ी सुदृढ़ हो गई है और आज हम देश में चारों तरफ सुख समृद्धि देख रहे हैं। अगर ये भूतपूर्व शासक उन बड़ी बड़ी रकमों से जो कि उन को प्रिवी पर्स के रूप में मिल रही हैं, हमारी योजनाओं को चलाने में और इस देश को अपना देश समझ कर ऊंचा उठाने में सहायता करते, तो मैं उन को कुछ विशेषाधिकार दिये जाने का कुछ औचित्य समझता, लेकिन मुझे तो उन के रवैये से यह मालूम हुआ है कि वे इस देश की प्रगति के लिये किये जाने वाले कार्यों के साथ नहीं है, उन के साथ उन की सहानुभूति नहीं है। आज इस देश के निर्धन किसानों की खून पसीने की कमाई का पैसा उन के पास जा रहा है। जो कुछ इस देश में हो रहा है, जरा हम उस की तुलना दूसरे देशों से तो करें। चीन में काम पर वेतन मिलता है जायदाद पर नहीं मिलता है। जायदाद तो वहां सरकार की है। वहां घंटों के हिसाब से भी तनख्वाह

नहीं दी जाती है । वहां तनख्वाह इस बात पर दी जाती है कि किसी व्यक्ति ने कितना काम किया है । वहां पर सामूहिक खेती का तरीका अपनाया गया है और सहकारी समितियां बनाई गई हैं । उपज से जो धन मिलता है, वह सब में बराबर बांटा जाता है, लेकिन बराबर इस मायने में नहीं कि वे को-आपरेटिव सोसायटी के बराबरी के सदस्य हैं बल्कि जितना अधिक काम किसी व्यक्ति ने किया होता है, उतना ही अधिक उस की पारिश्रमिक मिलता है । दूसरे देशों में भी इसी तरह की पद्धति अपनाई गई है । जिस किस्म की स्थिति हमारे देश में आप ने उत्पन्न कर रखी है, वैसी किसी भी देश में नहीं मिलेगी ।

मैं यह चाहता हूं कि हमारे देश के पुराने राजा महाराजा लोग इस बात को समझें कि यदि हम साधारण नागरिक की तरह यहां पर रहना चाहते हैं तो हम को सब विशेषाधिकार छोड़ देने चाहियें । उन को चुनाव लड़ने का अधिकार दिया गया । वह ठीक है । उन को नागरिक बनाया गाया । वह भी ठीक है । अब उन को आप बड़ी बड़ी तनख्वाहें भी दे रहे हैं । और वह इसलिये कि उन्हों ने त्याग किया था और अपने राज्यों को भारत में मिलाया था । मैं यह कहना चाहता हूं कि यह तो उन को करना ही था । यह तो देश की मांग थी । ऐसी ही देश की हवा था कि उन को ऐसा करने के लिये विवश होना पड़ा । अगर वे ऐसा न करते, तो यहां पर ऐसे उपद्रव होते, एसे ऐसे बवंडर उठते कि कि उन के राज्य मिट जाते, उन्हें कोई तनख्वाहें न मिलतीं और उन्हें कोई जानता भी न । उन्हों ने समय को पहचाना और सरदार पटेल की आवाज पर, भारत सरकार के कहने के अनुसार उन्हों ने देश का साथ दिया, इसलिये हम ने उन के लिये पेन्शनें मुकर्रर कर दीं । अगर कोई यह सोचता है कि देश चाहे कितना आगे निकल जाये, परन्तु उस पुरानी स्थिति को न बदला जाय, जिस में एक ऐसा तबका बना हुआ है, जो कि *संविधान के विपरीत काम कर रहा है—विपरीत इस दृष्ट से कि उन्हों ने देश के निर्माण के कामों में क्या सहयोग दिया है, कौन कौन से सहायता के काम किये हैं, आप यह गिनाने में असमर्थ होंगे, क्योंकि इस सम्बन्ध में उन का रवैया बिल्कुल नकारात्मक रहा है—तो मैं कहना चाहूंगा कि वर्तमान स्थिति में यह ठीक नहीं है । बदलती हुई परिस्थितियों के अनुकूल हमें सब वातावरण को बदलना होगा ।

हमारे सामने सैंकड़ों ऐसे उदाहरण आये हैं कि साधारण नागरिकों ने, गरीब लोगों ने राजाओं के पास कर्ज के रूप में , डिपाजिट के रूप में रुपये जमा किये हुए हैं, लेकिन वे वापिस नहीं देते हैं । आज परिस्थिति यह है कि अगर वे उन राजाओं के खिलाफ मुकदमा चलना चाहते हैं, तो पहले उन को केन्द्रीय सरकार के पास अनुमति प्राप्त करने के लिये जाना चाहिये । आप देखें कि यह शासक लोग बड़े प्रभावशाली होते हैं और मंत्रालय और सचिवालय की हालत हम देख ही सकते हैं कि किस प्रकार हमारे बीच में भ्रष्टाचार फैला हुआ है । परिणाम यह होता है कि ये लोग प्रभाव डालते हैं, व्यय करते हैं और उन के विपक्ष में आज्ञा निकलने में बहुत विलम्ब होता है और कार्य शीघ्रतापूर्वक नहीं होता है । राजा महाराजाओं के पास धन व्यय करने और मुकदमा लड़ने की जो शक्ति और साधन होते हैं, उस को देखते हुए एक साधारण, गरीब नागरिक उन के खिलाफ मुकदमा चलाने में कैसे समर्थ हो सकता है । उन दोनों का मुकाबला ही क्या है । इस के अलावा वह न्याय तक पहुंच ही नहीं सकता, जब कि वह केन्द्रीय सरकार की आज्ञा न ले और केन्द्रीय सरकार का अर्थ है सचिवालय और वहां प्रभाव के प्रयोग और भ्रष्टाचार की जो बातें होती हैं, उन को हम सब जानते ही हैं । सैंकड़ों ऐसे उदाहरण हैं कि केन्द्रीय सरकार को पता ही नही चल पाता है और इसलिये आज्ञा नहीं मिल पाती है और साधारण नागरिक राजा महाराजाओं से अपना पैसा वसूल नहीं कर सकता है ।

• **श्री दी० चं० शर्मा** (होशिआरपुर) : एक उदाहरण तो दें ।

**श्री म० ला० द्विवेदी :** एक उदाहरण तो यहां पर है । यहां पर महाराजा आनन्द चन्द बैठे हैं । एक गरीब बुढ़िया ने, जो कि पहिले इन के राज्य में थी, अपने कई हजार रुपये इन के पास जमा कर दिये थे लेकिन जब वह रुपया मांगने के लिये आई तो उन्हों ने उस को मकान से बाहर निकलवा दिया और कहा कि हमारे पास पैसा नहीं है । वह बेवा मरने वाली है । उस के पास खाने को पैसा नहीं है । उस का कोई लड़का या बच्चा भी नहीं है, जो कि उस को सहारा दे । वह उस रुपये से अपना शेष जीवन सुख से बिता सकती है और अपना निर्वाह कर सकती है, लेकिन उस के पास इतनी सामर्थ्य नहीं है कि वह भारत सरकार के पास पहुंच सके । उस का कोई वकील नहीं है, जिस से वह अरजी ही लिखवा सके । न्यायालय में जाने का अधिकार आप ने उस को दे नहीं रखा है ।

मैं यह निवेदन करना चाहता हूं कि मैं इस सदन का समय इस प्रकार की मिसालें दे कर खर्च नहीं करना चाहता हूं । अगर कोई जानना चाहे, तो उस को इस प्रकार की दर्जनों नहीं, सैकड़ों मिसालें मिल सकती हैं ।

आप के ये कावेनेन्ट किस के लिये हैं ? वे बनाये किस ने हैं ? संविधान सभा किस ने बनाई है । संविधान सभा जनता की प्रतिनिधि थी । अगर आज जनमत लिया जाय, तो मालूम हो जायगा कि जनता यह चाहती है कि ऐसे अधिकार अब भूतपूर्व शासकों के पास नहीं होने चाहियें । अगर आप जनमत लें, तो आप को इस का प्रत्यक्ष प्रमाण मिल जायेगा । आप अगर जनता की आवाज नहीं सुनते हैं तो मैं चाहता हूं कि आप संसद् सदस्यों को छूट दे दीजिये कि वे जिस पक्ष में चाहें अपनी राय दे दें, आप उन को किसी तरफ मत देने के लिये मजबूर न करें, आप ह्विप की बात छोड़ दें, सचेतक का इस्तेमाल न करें, तो आप देखेंगे कि कितने माननीय सदस्य इसके पक्ष में वोट देते हैं । ५०० सदस्यों में से शायद ही कुछ एक सदस्य ही ऐसे होंगे जो इस के खिलाफ वोट देंगे । बहुत कम सदस्य ही इस बात को चाहेंगे कि राजाओं के ये विशेषाधिकार बने रहें । मैं समझता हूं कि अगर माननीय मंत्री भी अपनी अन्तरात्मा को टटोलेंगे, तो वह भी बोल उठेंगे कि राजाओं और महाराजाओं के ये अधिकार आज के जमाने में बने नही रहने चाहियें । ये अधिकार समय के प्रतिकूल हैं ।

मैं इस बात को जानता हूं कि उन को इस विधेयक के विपक्ष में बोलना है क्योंकि वह समझते हैं कि उन के ये विशेषाधिकार कुछ दिन और चलने चाहियें । मैं समझता हूं कि जब तक बवन्डर खड़ा न हो जाये, देश की जनता आन्दोलन न करे, वह चिल्ला न, उठे तब तक ये अधिकार समाप्त नहीं हो सकते । मैं आप को बतलाना चाहता हूं कि १० सालों से निरन्तर मैं यह आवाज उठाता आ रहा था कि आप ने यह जो क ख ग और घ श्रेणी के राज्य रखे हैं इन को समाप्त कर दीजिये क्योंकि राज्यों को ऊंची नीची श्रेणियों में विभक्त करना गलत है और सारे भारतवर्ष में एक ही श्रेणी के राज्य होने चाहियें । मैं इस बात की मांग करता रहा हूं कि राजप्रमुख की प्रथा समाप्त कर दी जाये और सब राज्यों में राज्यपाल होने चाहियें इस प्रकार की बहुत सी बातें मैं ने कही हैं । इन सब बातों को कहने से मेरा तात्पर्य यह था कि जो आप यह चाहते हैं कि सारे राज्य तरक्की करें यह बिना वर्गीकरण मिटाये बुरा नहीं हो सकता था और ये जो पिछड़े हुए हिस्से थे वे तरक्की नहीं कर सकते थे । आप इस चीज को टालते गये । आखिरकार आप को राज्य सीमा आयोग की नियुक्ति करनी पड़ी और उस ने जब इसी प्रकार की सिफारिशें की तो आप को मजबूर हो कर इन को मानना पड़ा । आज भी अगर आप कोई कमीशन मुकर्रर करेंगे, तो मैं विश्वासपूर्वक कह सकता हूं कि वह भी इस बात की सिफारिश करेगा कि इस विशेषाधिकार को समाप्त कर दिया जाय और आप को मजबूर हो कर उस की इस सिफारिश को मानना पड़ेगा । इस वास्ते इस कमीशन को नियुक्त कर के और उस पर लाखों रुपया खर्च करने के बाद

अगर आप इस चीज को स्वीकार करते हैं तो इस से अच्छा तो यही है कि आप इस विधेयक को अभी स्वीकार कर लें। आप को चाहिये कि आप समय की जो पुकार है उस को सुनें और उस के मुताबिक काम करें।

भारतीय प्रक्रिया संहिता में नम्बर ८७ (ख) एक छोटी सी धारा है। इस में यह लिखा हुआ है:

"87 (b). The provisions of section 85 and of sub-sections (1) and (3) of section 86 shall apply in relation to rulers of any former Indian State as they apply in relation to the ruler of a foreign State."

मैं ने अभी धारा ८५ भी पढी थी और धारा ८६ की भी कुछ उपधारायें पढीं थीं और जिन को इन राजाओं महाराजाओं पर उसी तरह से लागू किया गया है जिस तरह से विदेशी शासकों पर। यह सब निरर्थक है, बेकार है और आप के लिये अच्छा यही है कि आप इस विधेयक को स्वीकार कर लें और जनता को बता दें कि आप उस के साथ हैं और पूंजीवादी लोग या बड़े बड़े राजा महाराजाओं की, जो हमारे स्वच्छ शरीर में जौंक की तरह चिपके हुए हैं, बात आप नहीं मानते।

आप ने इन शासकों को समान अधिकार दे रखे हैं और वे भारत के वैसे ही नागरिक हैं जैसे कि दूसरे लोग। अगर आप यह नहीं करते तो मैं चाहता हूं कि जो शासक हैं उन को यह कह देना चाहिये कि वे साधारण नागरिक के जो अधिकार हैं, वे उन्हें नहीं चाहियें, और केवल वे अधिकार जो विदेशी शासकों को मिले हुए हैं, वही चाहते हैं। इस बात की यदि वे घोषणा कर दें तो उन को इस कानून से मुक्ति मिली रहे, मुझे इस में कोई आपत्ति नहीं है। इस से हमें बहुत प्रसन्नता होगी उन को बहुत से विशेषाधिकार प्राप्त हैं, मैं उन सब के सम्बन्ध में नहीं कहता। मेरे पास व्हाइट पेपर है और इस के पैरा २४० में विशेषाधिकारों आदि के विषय में लिखा हुआ है कि :—

"guarantees have been given to the rulers under the various agreements and covenants for the continuance of their rights, dignities and privileges. The rights enjoyed by the rulers vary from State to State and are exercisable by them within and without the States. They cover a variety of matters ranging from the use of red plates on cars to immunity from civil and criminal jurisdiction and exemption from customs duties, etc. Even in the past it was neither considered desirable nor practicable to draw up an exhaustive list of these rights. During the negotiations following the introduction of the scheme embodied in the Government of India Act, 1935, the Crown Department had taken the position that no more could be done in respect of the rights and privileges enjoyed by the rulers than a general assurance of the intention of the Government of India to continue them."

इस तरह से इन के बहुत से स्वतंत्र और अधिकार हैं और छोटे से छोटे अधिकार से ले कर बड़े से बड़े अधिकार आप ने उन को दे रखे हैं। मैं यह कहना चाहता हूं कि बाकी सब अधिकार उन के बने रहेंगे। हम उन को शासक मानेंगे। आप उनको बंदूक वगैर लाइसेंस के देते हैं और दूसरे हथियार देते हैं। मैं बतलाना चहता हूं कि इन हथियारों का दुरुपयोग किया जाता हैं, इनको किराये पर दिया जाता ह, इनको डाकुओं को दिया जाता है। अगर आप का गुप्तचर विभाग कुशलतापूर्वक कार्य करता है तो वह आप को यह सब बातें बता सकता है। इस तरह से आप उन को जो भी अधिकार दिये हुए हैं वे दिये रहें। जहां तक ये चीजें साधारण नागरिक पर कोई असर नहीं डालतीं या उस की स्थिति में कोई अन्तर नहीं डालतीं, तब तक हम आप की सब बातें स्वीकार करते हैं। लेकिन एक छोटा सा विशेषाधिकार जो कि उन को ८७(ख) के अन्तर्गत मिला हुआ है, मैं उस की

[Shri M. L. Dwivedi]

बाबत कह रहा हूं। इस के अलावा जितने भी और उन के विशेषाधिकार हैं वे बने रहें, मैं उन का विरोध नहीं करता। आप जानते ही हैं कि किस प्रकार से उन्होंने जनता के साथ दुर्व्यवहार किया है, किस प्रकार से जन सम्पत्ति की हानि की है, किस प्रकार से बड़े बड़े मकान, बड़ी बड़ी जमीन उठा रखी हैं और किस प्रकार से मकान बरबाद हो रहे हैं। इन आलीशान मकानों में सरकारी कार्यालय भी बन सकते हैं। खैर एक अध्याय तो समाप्त हो गया। अब जब हम ने अपना संविधान तैयार कर लिया है और बड़ेबड़े कानून हम हर रोज बनाते हैं लेकिन एक ऐसी बात हम नहीं करते हैं और वह यह कि जो साधारण नागरिक हैं उस को हम यह अधिकार भी नहीं देते हैं कि वह इन राजाओं और महाराजाओं के खिलाफ सीधे जाकर न्याय प्राप्त कर सकें। उस को अगर न्यायालय में जाना होता है, तो पहले उस को एक सचिव के पास पहुंचना पड़ता है, वहां से इजाजत लेनी पड़ती है जिस के अन्तर्गत कई भ्रष्टाचार की बातें आती हैं और उस से इजाजत लेने के बाद ही यदि मिल गई तो, वह न्यायालय का दरवाजा खटखटा सकता है। यह न्याय नहीं है, यह बराबरी नहीं है, यह संविधान के अनुसार बात नहीं है और ऐसा कर के मैं तो यह कहूंगा कि आप संविधान की उपेक्षा करते हैं। इस किस्म के वाहियात विशेषाधिकार आप अब भी राजाओं को दिये हुए हैं जिस से जनता को परेशानी उठानी पड़ती है।

आप ने संविधान में लिखा हुआ है कि आप अपाहिजों को, उन को जो काम काज करने के काबिल नहीं हैं, पेंशन देंगे। आप आज तक उन को पेंशन नहीं दे सके हैं। आप ने चन्द दिन हुए एक छोटा सा विधेयक पारित किया था और उस में आप ने कुछ व्यवस्था का किया जाना स्वीकार किया था। लेकिन मैं कहना चाहता हूं कि जिन विधवाओं के पास कुछ सम्पत्ति थी और उन्हों ने तथा दूसरे लोगों ने उसे इस उद्देश्य से राजाओं के पास जमा करवा दिया था कि बढ़ापे में वे उन से ले कर उस का उपयोग करेंगी, आज उस से वे वंचित हो गई हैं, क्योंकि आप का कानून उन की राह में रुकावट पैदा करता है। उन के पास इतने साधन नहीं हैं कि वे आप तक पहुंच सकें और आप की स्वीकृति प्राप्त करने के बाद, मुकदमा चला सकें। ऐसी स्थिति में मैं चाहता हूं कि आप साधारण नागरिक की सहायता करें। इससे आप साधारण जनता के मत भी प्राप्त कर सकेंगे और उस के साथ न्याय भी करेंगे। अब इन शासकों की सहायता आप के किसी काम नहीं आयगी। आप को देन के लिये इन के पास आज कुछ भी नहीं है, मत भी नहीं है और जनता में कोई इन के समर्थक भी नहीं रह गये हैं।

इस वास्ते में चाहता हूं कि मंत्री महोदय अपनी राय को बदलें और न्याय मंत्रालय ने जो राय बना रखी है उस की परवाह न करें। न्याय मंत्रालय तो लकीर का फकीर है। उन्हों ने तो एक कावेनेंट देख रखा है और उन का कहना है कि वे उस के खिलाफ नहीं जा सकते हैं। इस देश में आप ने एक सरकार को खत्म कर दिया और उस के स्थान पर दूसरी सरकार बना ली है और जो गवर्नमेंट आफ इंडिया एक्ट था वह रखा का रखा ही रह गया। इंगलैंड की पार्लियामेंट ने जितने भी कानून बना रखे थे वे तमाम के तमाम रद्द हो गये और यहां पर एक स्वतन्त्र सरकार कायम हो गई। उस के बाद एक कानून था जिस के जरिये भारतीय राज्यों में डाक तार, सुरक्षा, और वैदेशिक कार्य के महकमे आप के हाथ में आगये। यह कानून भी रखा रह गया और आप ने तमाम की तमाम रियासतों को भी खत्म कर दिया। उन को किसी न किसी भारतीय राज्य में विलीन कर दिया गया और एक नया नक्शा आप के सामने आ गया। अब आज के जमाने में आप पुरानी लकीर को पीटते रहेंगे और लकीर के फकीर बने रहेंगे, तो इस देश की प्रगति रुक जायेगी। हमारे न्याय मंत्रालय को भी चाहिये कि वह प्रगति के पथ पर चले। उस को चाहिये

कि वह सुन्दर कानूनों के पारित होने में रोड़े न अटकाये । जब सदस्यगण किसी कानून को लाते हैं तो वे बड़े सोच विचार के बाद ही लाते हैं । अगर आप जनता की भावना की उपेक्षा करना चाहते हैं तो कर सकते हैं लेकिन इस तरह से काम नहीं चलेगा । आज हमारा देश बहुत आगे बढ़ गया है । पंडित जवाहर लाल नेहरू देश विदेश में जा रहे हैं और हमारी शान बढ़ा रहे हैं, हमारी प्रतिष्ठा को बढ़ा रहे हैं । विदेशों से जो लोग आते हैं, दूसरे देशों के जो प्रधान मंत्री आते हैं, वे भारत की तारीफों के पुल बांधते हैं और कहते हैं कि भारत बड़ी तेजी से प्रगति कर रहा है । यहां पर बड़ी बड़ी योजनायें कार्यान्वित हो रही हैं । इस सब के होते हुए हमारा जो न्याय मंत्रालय है वह अपनी राय को बदलना नहीं चाहता और यह नहीं जानता कि हमारे प्रधान मंत्री हमारे देश को कहां ले जाना चाहते हैं और न्याय मंत्रालय कि गढ़े की ओर बढ़ रहा है ।

इस वास्ते अब भी समय है कि न्याय मंत्रालय अपनी राय को दोहराये । मैं विश्वास-पूर्वक कह सकता हूं कि अगर आप गृह मंत्री पंडित पंत को यह बात कहेंगे तो वह मान लेंगे और कहेंगे कि यह सही है और हमें उस विधेयक को स्वीकार कर लेना चाहिये । विधि मंत्री श्री पाटस्कर ने ही ऐसा ही कानून सदन में प्रस्तुत किया था, जब वे मंत्री नहीं थे । आज वे अपनी राय नहीं बदल सकते । पंडित जवाहर-लाल नेहरू भी इसके पक्ष में होंगे और कांग्रेस में जितने भी माननीय सदस्य हैं वे भी इस को पसन्द करेंगे और साथ ही साथ विपक्ष के जो सदस्यगण हैं वे भी इस का विरोध नहीं करेंगे । ऐसी परिस्थिति में मैं नहीं समझता कि जब सारे का सारा जनमत एक तरफ है तो आप क्यों एक सेक्रेटरी साहब जो एक कमरे में बैठ कर अपनी राय बनाते हैं उन की बात को मानते हैं और इस का विरोध करते हैं ।

ऐसी स्थिति नहीं होनी चाहिये । आज देश का और समय का तकाजा है, कि आप इन बातों को मानिये जिन को जनता बहुत बड़ी तादाद और बहुमत से चाहती है ।

18 hrs.

इन शब्दों के साथ मैं इस विधेयक को विचार के लिये और पारित होने के लिये प्रस्तुत करता हूं और आप से प्रार्थना करता हूं कि मेरे इस विधेयक को आप स्वीकार कर लें । इससे बहुत बड़ा जनकल्याण होगा ।

**Mr. Chairman:** Motion moved:

"That the Bill further to amend the Code of Civil Procedure, 1908, be taken into consideration".

**Shri Tek Chand:** (Ambala-Simla): Mr. Chairman, Sir, I offer my sincere felicitation to the hon. Mover of this Bill. I congratulate him because his endeavour is to remove a stigma and a stain from our Code of Civil Procedure. So long as the provisions to which objection has been raised are retained on our statute book, they are a standing black spot, a blemish—apart from the fact that this provision is an inroad upon the principle of equality so far as citizens are concerned. It is also misconceived, because its genesis is no longer there.

This privilege that was given to the Rulers of Indian States had a history behind it. The history is that they were once recognised as Rulers, and as their States were treated foreign territories, they were given a privilege that is well known to publish international law under the name of 'Exterritoriality' or 'Immunity of Jurisdiction'. That such a principle is necessary and desirable in the interest of comity of nations, admits of no doubt. But when that status is lost, that is to say when the foreign status of a Sovereign or of the Head of a State is lost, there is no reason left why these privileges should be retained. Such privileges, under the doctrine of immunity of jurisdiction, are given not only to the Monarchs of Kingdoms and Presidents of Republics, but also to Ambassadors, Envoys and even High Commissioners, because they represent the Head of a foreign and a friendly State. They enjoy

[Shri Tek Chand]

those privileges. Their house is supposed be upon a portion of the land belonging to the sovereign State and, therefore, the house of an Ambassador is sacrosanct. So far as their man-of-war is concerned, even if it were in our maritime belt, it is supposed to be a floating island of the foreign country, even in our waters. All these reasons which are necessary, desirable, worthy of retention, are parts and parcel of public international law.

You might have kept these privileges so long as they had not acquired the status of the citizens of this country. But once they become citizens of this country, in logic, in reason, there appears to be no ground why one citizen in this land should exercise certain privileges which in their origin, in their history, belong exclusively and entirely to a foreign Monarch or the Head of a foreign State. The reason is no longer there. How is it open to you to adhere to the privileges and bestow upon them privileges which no longer belong to them?—because they have ceased to be Heads of foreign States.

Now, Sir, so far as the applicability of this principle is concerned, you have created a privileged class. I do not mind conferring privileges upon a class so long as the bestowal of that privilege does not take away the basic and fundamental rights of another citizen. I may not object to privileges of an absolute character, but to privileges of a relative character, I certainly take exception. Confer any such privilege upon them; if you want that they may have guns without licences I do not mind it. If you want that they should have gun salutes, let them have them. If you want that their cars should carry red plates, I would not object. But if you are conferring upon them a privilege by denying me a corresponding right, I have just reason to object.

What is conceived of in this Bill, I have had several occasions to deal with them professionally in my practice as a lawyer. What happens? My experience of a professional character is fairly extensive *vis-a-vis* the petty rulers whose states have now merged into Himachal Pradesh. There were rulers with full rights, but with an annual income starting from a couple of thousands down to Rs. 400 a year. They were in the enjoyment of full rights of ex-territoriality. What happened? A large number of them led a penurious existence. They would come and borrow monies. I know some of them borrowed money even as little as Rs. 200. When the unfortunate man in whose favour a promissory note had been executed by this Lilliputian ruler and the creditor wants his loan back, the answer is given to him, not by the ruler, but by my hon. friend there, the hon. Minister. The answer given to the man, on his behalf, is, "He is a foreign monarch. He is not amenable to the jurisdiction of the civil courts of this land. Therefore, you may be driven to insolvency, Mr. Plaintiff; it does not matter. But the couple of hundred rupees that he owes you cannot be touched". Several times I have approached the Ministry with applications, with petitions, praying that I sent to you a copy of the original promissory note. I sent to you also half a dozen or a dozen letters in which he has acknowledged his indebtedness to this unfortunate man. The only defence of the Ruler is, "The Government of India shelters me and screens me and though I owe you money, under this section I can snap my fingers at you and say, 'I am above you, because I enjoy the privilege of ex-territoriality or immunity of jurisdiction from the courts of this country'."

I do not see any logic, I do not see any policy, I am not aware of any high principles as to why this privilege should have been conferred, and when conferred should now be retained, and why invariably, permission has never been given to institute a suit against a ruler. Now, these suits relate not only to the cases in which

the Rulers have incurred debts, not only where they may be guilty of torts, but also to breaches of contract. Any type of civil suit is barred. I can well conceive of a case when this holder of a privilege can run over a child or an old man, fracture his leg and disable him, maim him and kill him. If a suit is instituted for recovery of damages which suit lies against every wrong-doer against every tor-feasor, the reply which is given by the law of this land is, 'he is a privileged person'. He is permitted to break the leg of a pedestrian; he is allowed to kill anybody as a result of negligence. If you institute a suit for recovery of any damages sustained because of the loss of life or loss of limb or loss of leg, the law of this land says, you cannot do so, you have no status in a court of law. The doors of the law courts are barred against you. You cannot knock at the door of a court. You may engage counsel, you may pay court fee, you may be willing to incur all the obligations that the law lays on a citizen. But, so far as relief against this privileged person is concerned, that relief is not available against him.

I am aware of another case which I recall to my mind. There is a ruler—there was at least a ruler—whose name I have no intention to disclose, a rake and a rou'e who had been guilty of all the diabolical crimes that one can think of, who belonged to this privileged class of this type of princes. He had committed grave and serious breaches of contract. All that his victim wanted the Government to do was, to look at his papers, and then to decide it for itself, at least persuade him to pay up the money if State was satisfied. If its conscience was satisfied that the claim of the plaintiff was just; then bring some sort of pressure, some sort of persuasion upon this privileged gentleman. With the utmost of difficulty, and after several refusals, this permission was granted. What was the result? It became absolutely unnecessary for the plaintiff to go to a court of law. He sent his emissary saying, he was willing to pay, let there be a compromise. Therefore, the only shield they have, the only protection you are giving them, the only screen that there is, is this particular provision, a provision intended in its origin, and intended even today, for heads and representatives of foreign States.

Not only that. This is a privilege of a reciprocal character. The history of international law is full of any number of instances. It was reciprocal in the sense that the head of this State or representative of this State enjoys similar and corresponding privileges when in the foreign State and that privilege is being reciprocated when the head of the foreign State or the representative of the foreign State happens to be in this land. It was of a reciprocal character. Just as the Ambassador of this great country enjoys immunity of jurisdiction whether it is of a criminal or civil character in foreign countries, a similar immunity of jurisdiction is being extended by us to the representative of a foreign State in our land. So far as these rulers are concerned, they have no State. Their State is gone. Where is the question of reciprocity? What is the privilege that you get in exchange for conferring a privilege on them, which they have been gratuitously having? Therefore, you can understand and appreciate the enormity of this law when you realise that they have a privilege recognised in law to commit any act which is tortious, to commit any civil wrong, any breach of contract. In short, they are absolutely at liberty not only not to recognise your laws, but to snap their fingers at your law, scoff at your laws. So far as rights in torts are concerned, they can defame anybody *ad lib*. Yet, if the person defamed wants to sue them for libel, the court will helplessly wring its hands and say: "No relief, go away". They can abduct a person. They can seduce a girl. If the seduced person institutes a suit for damages for seduction, our courts will say: "We are helpless. We cannot give you any succour, any relief".

**An Hon. Member:** As bad as that?

**Shri Tek Chand:** They can as a result of a negligent, tortious act deprive a person of his limb or life. The civil courts will say: "You have no civil rights against the civil wrongs done by him to you". How can we tolerate it? What is the reason, what is the logic, to what purpose is this bounty, why this generosity, what for is this magnanimity? You may keep on conferring one privilege after another, but the privilege of immunity of jurisdiction is beyond my comprehension. I cannot see any reason behind it. I cannot see any equity behind it. I cannot see any good basis or foundation for it. Therefore, in endorsing...

**Shri K. K. Basu** (Diamond Harbour): You must end with that.

**Shri Tek Chand:** May I go on with my swan song?

Therefore, I submit that while endorsing this Bill the hon. Minister should appreciate and should realise that such privileges, in any country where there is no reciprocity, where the question is not *vis-a-vis* any foreign rulers, are unknown, unrecognised. Pray remove this taint, remove this stigma, remove this blemish.

**Shri H. N. Mukerjee** (Calcutta North-East): I am happy that at the fag end of the session we are discussing Shri Dwivedi's Bill for amending our Civil Procedure Code and removing from it what is a crying anomaly. I am hoping that we pass this Bill unanimously and that Government does not come forward with pettifogging technical objections which are perhaps the only pseudo arguments which can be employed against this Bill.

18.18 HRS.

[SHRI BARMAN *in the Chair*]

This Bill is more than overdue because I feel it is our duty to remove from our laws certain rather ugly birth-marks which have been left in our Constitution and in our ways of administration on account of the fact that we won our freedom which was the result of a kind of compromise which imperialism imposed upon us.—the kind of immunity which the Rulers of Indian States have got, the kind of anomaly which Shri Dwivedi's Bill seeks to remove by deleting section 87B and by placing the Rulers of the former Indian States on a par with the rest of the citizens of India before the civil law of the land. This kind of anomaly is merely a symptom of the kind of administration we have had before and because we have inherited certain things which were passed on to us at the time of the transfer of power, they are still with us. But it is more than time that we remove this kind of anomaly. It is more than time that we realise that the idea of princedom is a hangover from the past. We have already taken some very striking steps for eradicating that hangover.

We have nothing against the members of the former Princely Order. In this House there are some of them who are very estimable individuals, but it is only fair to them and to the country that invidious distinctions of the sort which they enjoyed are removed, and therefore this Bill which wants to remove a certain kind of disparity certainly should appeal to everybody in this House and in the country.

We know very well how the existence of these disparities is a kind of vulgarity. The advertisement of the Princes' ostentatious separateness from the rest of the people is a variety of vulgarity which this country surely is not going to tolerate.

I know that it might be pointed out that unfortunately there are certain provisions in our Constitution which conceivably militate against Government accepting this Bill. I know that reference might conceivably be made to article 362 or article 291 where certain assurances have been given in regard to the rights and privileges of of the Rulers of the former Indian States. But I say that even if we consider that these articles are something of a hindrance, I feel that if we interpret these articles properly, if, for

example, we try to understand what the intention of the Constitution was when the expression 'due regard' was employed, then we shall find out that we can very well, in spite of these two articles, go ahead and pass this Bill.

We have been told in article 362 that:

> ".....due regard shall be had to the guarantee or assurance given under....."

certain convenants or agreements to the Rulers of Indian States. It is nowhere said in the kind of obligatory fashion, which would have been used if that was the intention of the Constitution, that every single item of those privileges which the Rulers of Indian States enjoyed in the British period would all be obligatorily continued. We are only to give due regard, that is to say, we are only going to take some kind of consideration in regard to the continuation or otherwise of these privileges. I feel, therefore, that, as far as these two articles are concerned, there should not be a rigid literal lifeless interpretation of the sort that might have been communicated to my friend the Minister in the Ministry of Home Affairs, but I feel that in view of the feeling in the country, in view of the opinion in this House, which is fairly obvious, he should accept this Bill.

I say this also because of another very important reason. In a few days' time we shall be in 1957, and then we shall celebrate the Centenary of our War of Independence of 1857. If we recall the history of the so-called princely order in India, we shall find out how the princes were buttressed by British rule in order that they might checker-board the whole of India, in order that they might enable Britain to carry on its policy of divide and rule, and just in order to further its own imperialist interests. Britain had invested these members of the princely order with certain special privileges and rights.

Now, these special privileges and rights are redolent of an atmosphere which we detest and especially in the Centenary year of 1957. I think Government would be well advised in agreeing to the principles of the Bill which has been put before the House by Shri M. L. Dwivedi. I feel that, particularly in deference to the feeling in the country, this Bill which wishes to remove a disparity which is glaring, this Bill which wants to delete an anomaly which absolutely is intolerable should be accepted by the House unanimously and Government should put no spoke in its wheel.

**Shri D. C. Sharma:** To me this Bill presents a very simple problem, and I want to seek an answer to that problem from myself as well as from the Minister in the Ministry of Home Affairs. The problem is this. Do we want to have in India two types of citizens, or do we want to have in India only one type of citizen? The citizenship of free India, of India, which is a sovereign democratic Republic, means political equality. I think all the citizens of India enjoy that political right. They have the right to vote. Everyone has the right to vote. It also means, if I understand it aright, equality of opportunity. I believe that that equality of opportunity is being extended in ever-widening circles in this country. It also means economic equality, and I believe our new policy of the socialist pattern of society guarantees to every citizen this economic equality also. But more important than any one of these privileges or rights is equality before the law.

Sir, I read the proceedings of international assemblies and I find that they are always harping on one thing, that there should be the rule of law. The rule of law means that law is not discriminatory in its nature. Law is like the sun which shines upon all in the same way.

But when I find this kind of thing in India, I feel that it is a kind of legal illegality. I believe that this legal illegality should be done away with as early as possible. I do not want to go into the instances which my hon. friends have given. But I

[Shri H. N. Mukerjee]

believe that the kind of immunity which we have conferred upon the former rulers of our Indian States is detrimental to the free and effective functioning of democracy in India.

My hon. friend, Shri Tek Chand, was just saying that they could abduct a person and he could not claim any damages for it; that they could seduce somebody and she could not claim any kind of damages for it. I think Shri Tek Chand is a lawyer of great eminence and he knows what he is talking about.

**Shri K. K. Basu:** Did the hon. Member doubt it before?

**Shri D. C. Sharma:** I have never had any doubt about the eminence of Shri Tek Chand as a lawyer, as I have no doubt about the eminence of Shri K. K. Basu also as a lawyer.

What I mean to say is that this kind of privileges should be done away with. In the good old days and bad old days—I do not go into the merits of that phrase—we used to divide India into British India and princely India. When we had our independence, we did away with princely India. By several methods, we tried to absorb that India into what we call India now. All honour to those persons who absorbed them. At that time, we gave them certain concessions and privileges. When you want to have a rupee, there is no harm in giving an anna back. So we gave them a few annas back so that we could have the whole of it to ourselves. In that way, those privileges are there. But now the time has come when they should be taken away. It is because I find that these rulers are now functioning as full-fledged citizens of India. Some of them have gone into hotel business, some of them have gone into automobile business, some of them want to contest elections and some of them want to do other things. They are now behaving like any other citizens of India. They have taken to gainful professions, and they have shed the glamour of those privileges which they enjoyed under a foreign ruler.

As my hon. friend, Shri H. N. Mukerjee, has said just now, these persons were kept there to strengthen the strangle-hold of alien rule upon our country. They were propped up, they were boosted and they were fortified in their position. They were kept going so that the hold of the alien rulers should be as firm on India as possible.

Now, the alien rulers are gone. Freedom has dawned and everything is undergoing a change, a change for the better. I feel that in India everything is undergoing a kind of sea-change, and the change is better. It is a legal anachronism, constitutional anachronism, that these persons should not be subject to those civil laws to which I am subject, to which anybody else is subject, to which even our Prime Minister is subject, to which all our big persons and even my friend, Shri Datar, are subject, to which all of us are subject. I do not know why those laws to which all of us are subject, should not apply in their case.

I would like to ask one question of Shri Datar. I agree that in the Constitution we did this, we did that, but we have been amending the Constitution; we have amended it 8 or 9 times —I do not remember the exact arithmetical figure—but we have changed the Constitution so that it may promote greater democracy in India, promote greater equality in India. We have done all that for that reason. Why should we stick to the sacrosanctity of the Constitution only in the interest of the rulers who at one time enjoyed all these privileges? Moreover, I would say that when you read the Code, you find that these rulers have been bracketed with foreign ambassadors and foreign envoys, that is, they come in a class which is not indigenous, which is not of the soil of this country, which is not of Bharat, try but they have been bracketed with those persons who come from other countries, they have been bracketed with foreigners. They might have been foreigners at one time because

this princely India was so at that time. But these ex-rulers should themselves come forward and say "We do not want to be bracketed with them, we do not want to have the stigma of being foreigners placed upon us and we want to be absorbed into the civil economy, or if I may say so, the political economy on a wholesale basis which is here in India". I think it is up to them also to say that.

I find that many rulers have surrendered a part of their privy purses. Some of them are in the process of doing so. Our Prime Minister once addresed an appeal to them, and I know some of them, two I know, did respond to that appeal very generously. They said that they would give up a part of their privy purses.

**Shri Achuthan** (Crangannur): Has anybody announced so?

**Shri D. C. Sharma:** A few of them did say that. It is one thing to surrender money—of course it is a good thing to surrender money—but the best thing is to surrender a privilege which has the stigma of having a privilege accorded to him at a time which is reminiscent of the days when India was not free India, but was subject India.

There was a great social writer of England, Brailsford, who wrote a book called *Rebel India*, and others also wrote other types of books. We are not now living in India which is bound; we are living in India which is free. I think these are reminders of the foreign rule which should be done away with.

I think and I have heard on the floor of the House people getting up and saying "Why are the statutes of foreign rulers still there?" Of course, I do not know what the policy of our Government is with regard to statutes of foreign rulers here, but there are some persons who want that these statues should not be there in the streets and other places in India, and that you should remove the statutes of the foreign rulers.

The rulers who are in enjoyment of these privileges remind us of the days when India was ruled by foreigners. These rulers should be asked to surrender all those privileges.

I submit very respectfully that one of the freedoms which a human being cherishes most is equality before law. I think it is the basis of civilisation, freedom and everything. It is on this basis that some of the revolutions have been fought in this world. This principle should be given effect to all along the line. No person should enjoy any kind of superiority. Only by abolishing this privilege can we come to the conclusion that we have only one type of citizenship in India and not more than one type.

**Shri Kazmi** (Sultanpur Distt.—North *cum* Faizabad Distt.—South West): There is no doubt that some protection has been given to the princes and foreigners under the Constitution. There is also no doubt that the princes and the ex-rulers had the privileges which they had at one time. But the question is what has been brought by Shri Dwivedi and Shri Tek Chand. Are they at all within the scope of the privileges that are being given to these ex-rulers who are now *nawab-be-mulak*. They have not got buildings to reside but in India. They have got no property outside India. They cannot trade but inside India, where they had to carry on every business of theirs. Then, can they be allowed to have any of those privileges?

Let us examine the privileges that they have been granted. Section 85 gives only the privilege of appointing an agent to carry on a particular work inside India. Any other person in India has got that privilege. I do not think we grudge this.

The next section is section 86. Now, there are two privileges that are granted to them. Sub-clause (1) says:

> "No ruler of a foreign State may be sued in any court otherwise competent to try the suit except with the consent of the Central Government certified in writing by

[Shri Kazmi]

a Secretary to that Government."

Sub-clause (3) says:

"No Ruler of a foreign State shall be arrested under this Code and except with the consent of the Central Government certified in writing by a Secretary to that Government, no decree shall be executed against the property of any such Ruler."

There is an exception to both these in sub-section (2) which says:

"Such consent may be given with respect to a specified suit or to several specified suits or with respect to all suits of any specified class or classes, and may specify, in the case of any suit or class of suits, the court in which the Ruler may be sued, but it shall not be given, unless it appears to the Central Government that the Ruler—

(a) has instituted a suit in the Court against the person desiring to sue him....."

We may leave that.

Then—"(b) by himself or another, trades within the local limits of the jurisdiction of the Court".

Which is that gentleman who is living inside India, who is borrowing money, who is carrying on trade? Even if he were a foreign Ruler, sanction must be given for instituting a suit against him if he carries on business or trade inside India.

Then "(c) is in possession of immovable property situate within those limits and is to be sued with reference to such property or for money charged thereon".

Now, every ex-Ruler, if he owns any immovable property, it is inside India. Any suit that is to be brought against him is to be brought in respect of that immovable property that is in India.

And "(d) has expressly or impliedly waived the privilege accorded to him by this section".

My submission is that the kind of transactions that have been mentioned by my friend, and which are conceivable, are factual transactions which are entered into by these ex-Rulers with the citizens of India. They are also citizens of India. Now, had they got any suit outside India, some protection would be granted that in respect of this, sanction of the Central Government would be necessary. But when they cease to reside outside, then the Central Government must make it clear that sanction will be given in every case. There is no question of any privilege. It is a question that today, under section 86(2), they are contravening every one of the provisions. And as such, I would submit that it is not for the Central Government to give them any privilege.

As a matter of fact, the privileges that are contemplated by articles 362 and 291 are absolutely different privileges. What does article 291 say? Article 291 says:

"Where under any convenant or agreement entered into by the Ruler of any Indian State before the commencement of this Constitution, the payment of any sums, free of tax, has been guaranteed or assured by the Government of the Dominion of India to any Ruler of such State as privy purse—

(a) such sums shall be charged on, and paid out of, the Consolidated Fund of India".

The money will be paid; only the method of payment has been specified. And then—

"(b) the sums so paid to any Ruler shall be exempt from all taxes on income."

This is a matter which is between the States and the Ruler. The public has nothing to do with it. They have taken something and granted something in lieu of that. Therefore, this article would not come in here.

Now comes article 362 which says:

> "In the exercise of the power of Parliament or of the Legislature of a State to make laws or in the exercise of the executive power of the Union or of a State, due regard shall be had to the guarantee or assurance given under any such covenant or agreement as is referred to in article 291 with respect to the personal rights, privileges and dignities of the Ruler of an Indian State."

My submission is, does article 291 contemplate any such guarantees? It does not contemplate. I have read out article 291. It does not contemplate this guarantee with respect to the personal rights, privileges and dignities of the Ruler of an Indian State. I do not think the hon. Member would contend that "personal rights" means the right of cheating others. Is that personal right the right of cheating others, the right of abducting people?

**Shri Nand Lal Sharma** (Sikar): That will not be civil. It will then be criminal.

**Shri Kazmi:** But it will give rise to damages. Adultery is one of the offences which may result in damages. Not cheating.

**Shri U. M. Trivedi** (Chittor): Neither is kidnapping.

**Shri Kazmi:** According to you cheating is a thing which is to be treated as a privilege!

**Shri Nand Lal Sharma:** Cheating is an offence.

**Shri Kazmi:** I can realise the money either by a civil suit or by taking criminal action. The word 'cheating' is used by me now in the general common sense. A person who has executed a promissory note and has refused to pay money is called a cheat.

**Shri U. M. Trivedi:** That will be too much.

**Shri Kazmi:** Then will that be a privilege? Is it something better or worse? Though my friends disagree, the question, however, remains. Personal rights do not involve taking money from others illegally and retaining it themselves and not returning it. Privileges do not mean the enjoyment of property of others without any civil liability.

So far as the question of dignity is concerned, the only question is of arrest. I have already submitted that so far as arrests and civil liability out of contractual obligations are concerned, they are not at all protected by any of the articles, articles 291 and 362. As such, my submission is that so far as the present practice is concerned, it contravenes the provisions of article 14 of the Constitution. Article 14 of the Constitution lays down as follows:

> "The State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India".

So far as article 14 is concerned, it is an article not only protecting minorities against the majority but also protecting the majority against the minority. We cannot say that a person who have advanced money to an ex-ruler is also entitled to the protection of realising that money through the court. He cannot be deprived of the right of realising the money through the court only because these persons happen to be in a majority. I say it is all right for a minority to be protected but the majority has also to be protected against the high-handedness of the minorities.

**Shri Nand Lal Sharma:** Suppose none is protected?

**Shri Kazmi:** Then it goes out of the Constitution. So, the present practice of the Government in not giving the sanctions is a contravention against the provisions of article 14 of the Constitution and it is not in consonance with any of the articles. As such, I think the present Bill will remove that doubt and difficulty and would clarify the position. I support the Bill.

**Shri Ramachandra Reddi** (Nellore): I shall be very brief in this matter This Bill has not come a day too soon and I think, the Government must have, by this time, made up its mind to accept a Bill of this kind. It has been before the country and before this House for over eight months by now and I think Government must have, by this time, thought fit to accept a Bill like this.

There was a time when the rulers thought that they were rulers. Now that they have been liquidated, they are more anxious.....

**Shri U. M. Trivedi** (Chittor): They are still rulers under the Constitution.

**Shri Ramachandra Reddi:** They are ex-rulers.

**Shri U. M. Trivedi:** Rulers: Not ex-rulers.

**Shri Ramachandra Reddi:** For certain purposes alone the term 'rulers' seems to be there, for example, when they have to receive privy purses and so on. But, as regards protection against the law, it does not seem to be any more necessary for them. It is the common law of the land that should apply. I do feel that most of them are anxious to be known as commoners rather than as rulers.

**Shri U. M. Trivedi:** Some of them.

**Shri Ramachandra Reddi:** If there was any protest against this law, I think, some of the ex-rulers, who are Members of this House, must have been present here to protest against it. I am only trying to tell the House and the hon. Minister that at this stage, they feel shy to be called rulers for all purposes and they do not want this protection to be continued. The continuation of the centralisation of this power seems to be unnecessary and it should be left to the courts to deal with them like common men. Of all people, I do not see any reason why the Congress Government, which stands for equality, freedom and other things, should persist in maintaining this particular section in the Civil Procedure Code. I would, therefore, urge upon the hon. Minister to accept this Bill and see that these people who are anxious to be commoners, are allowed to be commoners.

**Shri Sadhan Gupta** (Calcutta—South-East): Mr. Chairman, this Bill, as Shri Ramachandra Reddi said,.....

**Mr. Chairman:** There are seven minutes more. The hon. Member can speak and continue on the next occasion or he may say concisely whatever he wants to say.

**Shri Sadhan Gupta:**..... has not come a day too soon. I should think that the Bill is at least a fortnight too late because it should have been discussed thoroughly and passed by this House before we break up for about three months or so.

I would have supported the Bill on considerations which have been brought out by Shri Tek Chand, considerations of the absurdity of allowing a certain section of the people of this country to commit tort or break contracts with impunity. He has given a catalogue of how individual persons had to face difficulties in instituting suits against rulers, in obtaining permission of the Central Government to institute such suits and so on. But, so many other more important principles are involved and vehemence of sentiment is involved in this matter, that these inconveniences, great though they are, simply pale into insignificance. I would

support the Bill principally on the ground of the disgraceful history behind the provision that is sought to be deleted, and also because of the disgraceful principles involved in it.

You know, Sir, the history of these provisions. The British had need of the Princes. They did not care a straw for them when it concerned their own interests. They deposed them, installed them and humiliated them whenever they wanted, when it suited them. But they had need of them to keep down the people, and therefore in the eyes of the people they wanted to glorify them with many devices like the 21 gun salutes, 19 gun salutes and so on, and in addition, they wanted to hold them up before the people of this country as Rulers of the same status as foreign sovereign rulers. That is why they had enjoyed these immunities from proceedings in the courts of India.

One would have thought that with the coming into force of a Republican Constitution, we would have made a complete break with that past, but it is a great misfortune that far from doing so, we perpetuated the same thing. Shri Mukerjee has described it as an ugly birth-mark. I must painfully say that it is worse than a birth-mark, because it has been stamped on us after the coming into force of the Constitution.

You know, Sir, that this section 87B was introduced in 1951 by an amendment to the Civil Procedure Code. I know it carries into effect, it continues the old provision in a different way, but the point is that a Government professing to be a democratic Government of the Republic of India has not felt it a matter of shame to enact such a piece of legislation. It is against this that we revolt, and it is against this law introduced by our own Government that we have to stand today, that we have to express ourselves most vehemently.

What I am apprehensive of is that the Bill may not be accepted by the Government. I have my reasons for having this apprehension. Because, whenever the question of Prince is taken up, whenever questions are asked about their private property, about the extent of the property they command, the answer has been that it is against public interests to disclose it. When the Princely Order is concerned, when the ex-Rulers are concerned, there is some kind of hide and seek in the Government, some kind of suspicious behaviour which makes me apprehensive. That is why I think that in spite of the general support, I should say the unanimous support from all quarters of this House, this Bill may not have the fate that it deserves to have. But I would add my voice to the strong voices that have come forth from different parts of this House.

I am also aware that constitutional difficulties will be paraded. Interpretations have been given of articles 362 and 291 by Shri Mukerjee and Shri Kazmi, and those interpretations, I submit, are quite reasonable, but even apart from interpretations, if there is any difficulty in the Constitution, I would plead for an amendment of the Constitution for removing this blot, rather than parading this Constitution as a bar to this Bill. There is no doubt that whatever the Constitution is or whatever the clause in the Constitution is, if the interpretation is that a Bill of this kind would be ruled out by the Constitution, then the Constitution goes against the spirit of the democratic sentiments of the people, it runs counter to and it completely contradicts the democratic sentiments of the people. This should not be allowed and even a document like the Constitution should yield to the democratic sentiments of the people. And if the Government brings forward an amendment to the Constitution on those lines, then they would have the thanks, the congratulations of all sections of the people, and whichever side of the House we belong to, we can assure that we will join hands in carrying into effect the requisite amendments to the Constitution.

[Shri Sadhan Gupta]

19 hrs.

Now, there are assurances; assurances might have been given to Rulers regarding protecting their personal privileges, but those assurances have no moral value. Those assurances are entirely out of harmony with the prevailing circumstances in the country. Therefore, I would strongly plead that this Bill should be accepted, and if there is any constitutional bar—I do not agree there is a bar—that bar should be removed, and the Bill should not be thrown out on that ground.

We are not prepared to see a Bill of this kind thrown out on technical grounds. We want our sentiments to be respected. We want the democratic aspirations of the country to be respected and it is only that way that Government can make good their profession of being a democratic government. Otherwise, their professions will be in very great doubt.

19.02 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Saturday, the 22nd December, 1956.*

# DAILY DIGEST

*[Friday, 21st December, 1956]*


COLUMNS

MOTION FOR ADJOURNMENT . . . . 3887—90

In view of the statement made by the Deputy Minister of Food (Shri M. V. Krishnappa), the Speaker withheld his consent to the moving of an adjournment motion given notice of by Sarvashri R. N. Singh and Ramji Verma regarding the alleged failure of the Government in providing adequate measures to relieve food shortage in the flood devastated areas of the Eastern districts of the Uttar Pradesh.

PAPERS LAID ON THE TABLE . . . . 3890—91

The following papers were laid on the Table :—

(1) A copy of each of the following statements showing the action taken by the Government on various assurances, promises and undertakings given by Ministers during the various sessions shown against each :

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|---|---|
| (*i*) First Statement | Fourteenth Session, 1946, of Lok Sabha. |
| (*ii*) Supplementary Statement No. VII | Thirteenth Session, 1956, of Lok Sabha. |
| (*iii*) Supplementary Statement No. XIII | Twelfth Session, 1956, of Lok Sabha. |
| (*iv*) Supplementary Statement No. XV | Eleventh Session, 1955, of Lok Sabha. |
| (*v*) Supplementary Statement No. XVIII | Tenth Session, 1955, of Lok Sabha. |
| (*vi*) Supplementary Statement No. XXIV | Ninth Session, 1955, of Lok Sabha. |
| (*vii*) Supplementary Statement No. XVII | Eighth Session, 1954, of Lok Sabha. |

(2) A copy of each of the Principal and Supplemental Agreements between the Governor of Rajasthan and the Reserve Bank of India, under sub-section (2) of section 21A of the Reserve Bank of India Act, 1934.

COLUMNS

MESSAGES FROM RAJYA SABHA . . . . . 3891

Secretary reported the following two messages from Rajya Sabha :

(1) That Rajya Sabha had agreed without any amendment to the Employee's Provident Funds (Amendment) Bill, passed by Lok Sabha on the 8th December, 1956.

(2) That Rajya Sabha had agreed without any amendment to the Electricity (Supply) Amendment Bill, passed by Lok Sabha on the 11th December, 1956.

REPORTS OF ESTIMATES COMMITTEE PRESENTED . . . . . 3897

Thirty-fifth, Thirty-sixth, Thirty-seventh and Fortieth Reports were presented.

LEAVE OF ABSENCE . 3899—3903

Bishop Richardson was granted leave of absence from the sittings of the House for the entire period of the Fourteenth Session.

BILL PASSED . . . 3904—4003

Further discussion on the motion to consider the Banking Companies (Amendment) Bill was continued. The motion was adopted and after clause-by-clause consideration the Bill was passed, as amended.

REPORT OF COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS ADOPTED . . 4004

Sixty-seventh Report was adopted.

PRIVATE MEMBER'S BILL INTRODUCED . . . 4004

Old and Infirm Persons, Homes Bill by Krishnacharya Joshi.

PRIVATE MEMBER'S BILL WITHDRAWN . . 4005—30

Further discussion on the motion to consider the Motor Transport Labour Bill by Shri A. K. Gopalan was continued. After discussion the Bill was withdrawn, by leave of the House.

COLUMNS

REPORT OF RULES COMMITTEE—LAID ON THE TABLE . . . . . 4030

A copy of the Seventh Report was laid on the Table.

PRIVATE MEMBER'S BILL UNDER CONSIDERATION . . . . . 4031—66

Shri M. L. Dwivedi moved the motion to consider the Code of Civil Procedure (Amendment) Bill (*Omission of Section 87B*). The discussion was not concluded.

COLUMNS

AGENDA FOR SATURDAY 22ND DECEMBER, 1956—

Consideration and passing of the following:

1. Amendment made by Rajya Sabha in the Faridabad Development Corporation Bill.
2. Delhi (Control of Building Operations) Continuance Bill.
3. Slum Areas (Improvement and Clearance) Bill.
4. Delhi Tenants (Temporary and Protection) Bill.
5. Delivery of Books (Public Libraries) Amendment Bill.

} As passed by Rajya Sabha.

Discussion on motion re. Report of U.P.S.C.